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Alia's Condition 'Without Complications'

LD0401101392 Tirana ATA in English 0916 GMT 4 Jan 92

["Communique on the Health State of Ramiz Alia, President of the Republic of Albania"—ATA headline]

[Text] Tirana, January 4 (ATA)—It comes out from the reports of physicians' team that on January 2 and January 3 the health state of the President of the Republic Ramiz Alia, is stationary, without complications. The examination of January 3 reveals a slight evolution in the electro-cardiographic changes . The medical team is made up of Dr. Kristo Pani, minister of health; Prof. Ylli Popa; Prof. Pandeli Cina; Prof. Anesti Kondili; Dr. Dine Abazi; Dr. Arben Fino; Dr. Ferit Saraci; Dr. Idriz Balla.

National Assembly Draft Platform Published

AU0601081992 Tirana BASHKIMI KOMBETAR in Albanian 27 Dec 91 pp 1,3

["Draft Platform of the Assembly of National Conciliation and Unification"; place and date of issue not given]

[Text]

[Box, p 1]

The Organizing Council of the Pan-National Assembly of the Republic of Albania met yesterday and considered the draft platform for the Assembly of National Conciliation and Unification. The meeting decided that this draft platform should be made public and sent to parties, organizations, religious communities, and the country's leading academic, cultural, and educational institutions, which, after acquainting themselves with it, will produce their ideas and suggestions, adding to and further improving the document.

The council also appealed once again to all political bodies and religious communities to send their representatives to the assembly.

Organizing Council of the Assembly of National Conciliation and Unification. [end box]

The Albanian people today are living through the most difficult days in their history. They are at the most dramatic historical crossroads. Their future will depend on what is done or left undone today. Whether the fundamental questions of their existence will be solved or not depends on the wisdom and courage they will show or fail to show.

The Albanian people have still not solved three of the greatest questions of their existence:

—the national question
—the social question
—the political question.

They remain a divided people, half of whom live beyond the borders of the national state and scattered among several neighboring states.

They remain the poorest people in Europe. Many of them are still being displaced from their ethnic territories, seriously debilitating the body of the nation.

They remain a people who have not completed the democratic construction of society. They have not institutionalized democracy nor built a law-governed state.

Kosovo and other Albanian areas, unjustly separated from Albania at the Congress of Berlin (1878) and the Conference of Ambassadors in London (1913), today are suffering the most savage violation and despoliation in their history. Kosovo is under a permanent state of siege imposed by militarist Serbia. The Albanians there are an imprisoned people, subject to discrimination, persecuted, humiliated, and murdered. Others decide their manner of existence and avail themselves of the land in which the Albanians always have been and remain the overwhelming majority. Others have usurped the first right of modern civilization, the right to self-determination. The Albanians today are in danger from the policy of extermination pursued by the chauvinist Greater Serbian regime.

The fate of the Albanians in the Cameria region is a special and highly painful chapter in the Albanian drama. Greece, the cradle of European democracy, has never recognized the national rights of the Cams who live in their own home and has never wished to meet its obligations toward the Cams according to international documents on forced deportations, but evicted them from their hearths after World War II. The Cam tragedy therefore continues to seriously wound the Albanian people's feelings. The tragedy of dispersal among several states continues to be the reason why the national feelings of the Albanian people cannot rest.

Meanwhile, Albania is undergoing a deep spiritual, moral, political, social, and economic crisis. In serious danger from quarrels and vengeful passions for reasons old and new and threatened by social tension, disintegration, divisive forces, and general break-up, it is losing its state identity.

This crisis that has paralyzed Albania, the most total and tragic in all its history, is the result of almost half a century of communist dictatorship that flew in the face of social development's natural laws; in which the mechanisms that enable a society to adapt to changes in its natural, political, and economic circumstances were disrupted; in which the ruling party usurped the three branches of government, legislative, executive, and judicial; in which human, civil, and political rights were seriously violated; and in which powerful political energies were diverted from their historical purposes and turned into violence against the people.

This dramatic national, social, and political situation in which the Albanian nation finds itself makes it necessary

to hold the Assembly of National Conciliation and Unification, whose fundamental goal will be to view and assess the state of the nation fairly, realistically, and without political illusions; to state what we desire and what we can do to change and improve the situation; to create a pannational strategy of efforts to solve the national question; to define the ideas and moral, cultural, and historical principles and values that will unite the people; and to plan the spiritual, cultural, political, economic, social, and educational rebirth of the Albanian people.

Those who support this assembly and those who have cast doubt its necessity should not forget that we are responsible for both what we do and what we fail to do.

Let those who support this assembly and those who have cast doubt on its necessity not forget that, the way things are going in Albania now, without national conciliation no single political force will be able to hold a mandate from society for anything.

1. National conciliation is a great and civilizing political and social notion that nations reach for at dramatic moments in their history and perform with the intention of proclaiming social peace and understanding; of coordinating their intellectual, political, and moral energies for great national and social causes and for achieving the ideals aimed for; and finally of shouldering historic undertakings, forging their destiny as they wish it. In the act of national conciliation, a nation finds its identity as a community with a noble purpose and meaning after the provocations to which life and history may have subjected it. As a philosophical, moral, and emotional necessity in a nation's history, national conciliation becomes at the same time a proof of the nation's civilized maturity. National conciliation displays to the world the cultured life, historical maturity, and significance of a nation among the family of peoples.

2. For the Albanians, national conciliation is a precondition of national unification. The Albanians cannot be called equal with other peoples until they have fairly solved the national question and until, as a divided nation, they have been united. A people in discord cannot attain any goal, still less a historic ambition. A people in discord cannot confront any danger, still less a host of dangers. The division of the Albanian people and their lands has meant the dissipation of the Albanians' natural opportunities to create prosperity and become a contented people. The Assembly of National Conciliation and Unification must therefore be a tribunal that will consider the great questions of the existence and fate of the Albanian people and compile a pannational strategy for national unification. The assembly must shoulder an obligation to create a national program, whose realization will be the work of state institutions, Albanian political parties and organizations in and outside the homeland, and all Albanians wherever they may be. They will work until this goal is achieved, whether it takes a year, a decade, or a century. The assembly must point out the vital interest of the Albanian people in European unification. However, the assembly must also point out the political principle that Europe cannot be called united with the Albanians divided.

3. National conciliation necessarily relies on the motto on which European culture has been built: We seek forgiveness and grant forgiveness. This is the foundation of tolerance, the most important discovery in human life. It is also the foundation of Albanian culture, and our national conciliation must be built on it.

This does not mean the exculpation of individuals, groups, or political formations that have caused the Albanian people so much pain, suffering, and tragedy. The Organizing Council of the Assembly of National Conciliation and Unification resolutely condemns the communist dictatorship of Enver Hoxha that caused the Albanian people so much tragedy and under which some people were deprived of the right to live, others were deprived of the right to a homeland, and all were deprived of the right to think freely, express themselves, and believe.

Nor does this mean overlooking the feelings of those who have unjustly suffered; The Assembly of National Conciliation and Unification must publicly ask the forgiveness of all those to whom wrong has been done; who experienced pain and tragedy during World War II, during collectivization, in the class war, because of the ban on freedom of thought and expression of conscience, in ideopolitical differentiation, and in feuds under customary law, all those who were banished from the homeland and unjustly declared traitors, all political prisoners, all those interned for reasons of conscience, all those subjected to ideological discrimination, and all victims of revenge. They are our fathers, brothers, mothers, and sisters. If we did not feel their suffering when we should have, we do so now. Their suffering is our suffering! Their tragedy is our tragedy! Let this be their consolation! Let this also be our consolation! Let them be consoled by the truth that those who do evil are more unfortunate that those who suffer evil. However, let them console us by granting forgiveness.

4. National conciliation, as a noble moral act in the life of the people, liberates them from the tragic burden of inherited hostilities and hatreds. At the same time, it must prevent the appearance of new violence, quarrels, and enmities in political and social life, which would spread anarchy and imperil the homeland. Conciliation and unity over the great questions of the nation and over the work and duties that are now set before Albania and the entire Albanian people may stop the general disintegration we are witnessing, the collapse of order, the continuing flow of young people abroad, and the danger of fratricidal war. This possibly fatal danger threatens Albania from within and without. Above all, national conciliation, as an act of pan-national significance laying major obligations on every individual patriot and the nation as a whole, could rescue Albania. The Assembly of National Conciliation and Unification must therefore be a tribune identifying the internal dangers threatening

us and prescribing duties for eliminating them. By becoming a moral obstacle to quarrels, hostilities, vendettas, and splits, national conciliation brings broader opportunities for raising political culture, building democratic institutions, constructing a law-governed state, and assisting the Albanian people's democratic rebirth.

5. National conciliation must stimulate Albania's new political life, whose main aim will be the defense and furtherance of Albanian national interests. The Assembly of National Conciliation and Unification must foster the conviction that a genuinely national policy is one that values a distant goal more than an imminent one, values the people's happiness more than political victory, and is ready to place all the nation's energies in the service of the people's long-term interests, and does not forget that the Albanian state will be appreciated in the world and admitted as an equal partner in cooperation only if it is a democratic, well-organized, and stable state. The Assembly of National Conciliation and Unification must strengthen the awareness of Albanianness as a common point of reference regardless of all religious, political, ideological, and other distinctions in the life of the Albanian people. The Assembly of National Conciliation and Unification must be a call for increasingly broader and stronger cultural, spiritual, economic, and ultimately political ties among all sections of the Albanian people in Albania, Kosovo, and other ethnic territories beyond today's Albanian border. The Assembly of National Conciliation and Unification must point out that the obstacles placed in front of such ties among the Albanian people today represent serious violations of their human, national, and political rights.

6. National conciliation must encourage stronger spiritual, cultural, economic, and political ties between Albania, the Albanians of the diaspora, Albanians living in Kosovo, and other ethnic territories beyond Albania's present borders, and Albanians living in different countries of the world. The expression political emigration must be erased once and for all from the Albanian political vocabulary and all articles and paragraphs that prevent the equal involvement of Albanians of the diaspora in Albania's cultural, political, and state life must be expunged once and for all from Albanian legislation. Albanians are each other's brothers wherever they live; Albanians are brothers regardless of which country's stamp their passports carry. Albania is the homeland of all Albanians regardless of their citizenship.

7. National conciliation must reaffirm the noble ethical values on which Albanian culture is based: devotion to the homeland and to freedom, readiness for sacrifice, and loyalty to one's word of honor [besa], the truth, fairness, justice, and national dignity and pride. The Assembly of National Conciliation and Unification must affirm the conviction that, as the small people that we are, we can only subsist, progress, and move in step with the development of more modern nations if we put our existence on a sound basis; if we build our social, political, economic, cultural, and educational life on the principles of modern European democracy; and if we respect ethical values, humanism, spiritual life, education, and work. The Assembly of National Conciliation and Unification must remind us that Albanians can create their happiness only in their homeland, that the happiness of each of us individually depends on the happiness of us all together, and that Albania will bring us happiness only if we bring progress to Albania with our creative talents and dedicated labor.

8. National conciliation, although it implies an understanding of different ideas, views, and political opinions, does not mean the elimination of disagreements and contradictions from social and political life, because this would eliminate the motive power of social progress. National conciliation does not mean uniformity of thought, ideas, and opinions, or uniformity of action. Where uniformity is a harmful intellectual phenomenon because it smooths over the friction that brings progress, national conciliation is a positive phenomenon, in that it provides a common direction to intellectual, political, and moral forces with different viewpoints and programs. If it were forgotten that the nation is a community containing different interests, national conciliation would degenerate into intellectual and political uniformity and a single course of action, which means that it would become a restrictive moral, social, and political force. Meanwhile, national conciliation cannot be correctly understood if it is forgotten that the nation, although a community of different interests, is also a community that can only develop its own life through an awareness of its commonality.

National conciliation cannot be reduced to political issues, because it is an issue of a higher ethical and intellectual order.

9. The Assembly of National Conciliation and Unification must be a tribune at which all the separated sections of the Albanian people will be represented, from Albania, Kosovo, and other ethnic territories beyond Albania's present borders, and from the diaspora (Italy, Turkey, Western Europe, the United States, Australia, Canada, etc.). It must be attended by representatives of the different Albanian regions, representatives of different social strata, members of the Organizing Council, deputies of the People's Assembly of the Republic of Albania and of the Republic of Kosovo, Albanian deputies from Macedonia and Montenegro, members of the governments of the two republics, representatives of political parties and associations and of higher educational, academic, and cultural institutions, religious communities and institutions, women's, youth, and students' organizations, and distinguished intellectuals and patriots.

The serious social crisis Albania is experiencing and the internal dangers threatening it on one hand, and on the other hand the national drama experienced by the Albanians in Kosovo and other Albanian territories in Macedonia, Montenegro, and southern Serbia at a time when their cause is being considered by European and world

institutions and forums are important reasons for summoning the Assembly of National Conciliation and Unification within a short time and without delay, while providing the opportunity for good preparation. Bearing in mind these important reasons, the Organizing Council considers March 1992 to be the final month by which the National Assembly for National Conciliation and Unification should meet. However, the Organizing Council has noted 20 January as a conceivable date for holding the assembly, hoping that the necessary preparations can be completed by then. This day has a special significance as the date of the start of the Assembly of National Conciliation and Unification, because it is linked to two important events in our national history, the death of Skenderbeg and the Congress of Lushnje [1920].

The Assembly of National Conciliation and Unification will work on the basis of the assembly's program, drawn up by the Organizing Council and approved by the assembly's participants.

The Organizing Council proposes that the following resolutions be submitted for the approval of the Assembly of National Conciliation and Unification: a) A resolution on the Albanian covenant [beselidhja].

b) A resolution on Albanian unification.

c) A resolution on the violation of the human, national, and democratic rights of the Albanian people in Kosovo and other Albanian regions in what has so far been Yugoslavia, and in Greece.

d) A resolution on the construction of democracy and of the law-governed Albanian state.

e) A resolution on cooperation with neighboring peoples and other peoples in the world.

Just as the unsolved Albanian question cannot be settled all at once, and just as the serious crisis Albania is experiencing cannot be resolved immediately, so national conciliation is not a process that can be accomplished instantly. The solution of the Albanian question, the resolution to Albania's crisis, and national conciliation are processes that will last for a lesser or a greater length of time. Not only because it is a process, but because it aims at the aforementioned goals, the Assembly of National Conciliation and Unification cannot serve any individual party, state organ or institution, or individual. It can and must serve, and is being held solely to serve the Albanian people as a whole. For this reason, the Organizing Council, whose mission ends with the conclusion of the assembly's proceedings, expects the assistance, suggestions, advice, and cooperation of all academic and cultural institutions, political bodies, religious communities, and all patriots for organizing the assembly as well as possible. Let the efforts to prepare this assembly be a first step toward our national conciliation.

Albanian brothers and sisters wherever you may be!

Let us heal the wounds that have divided us. Let us set aside the vengefulness that has jeopardized our fraternity. Let us be rid of the quarrels that hamper our conciliation. Let us forget the disagreements that deprive us of our future and let us draw near to one another and unite as the brothers that we are, around our red and black flag, around our inspiring anthem that was composed in difficult days like those of the present, around the great ideals and timeless values of our history and culture, and around our sacred ideal: the unification of the Albanian people and their territories.

We must accomplish national conciliation to make ourselves stronger!
We must accomplish national conciliation to make ourselves more free!
We must accomplish national conciliation so that we may be united!
Let prudence guide us!
Let our word of honor unite us!
Let honor ennoble us!
Let us not forget that God will be with us if we are sincerely brothers to one another.

Organizing Council for the Assembly of National Conciliation and Unification.

Ceremony Marks Arrival of Libyan Medical Aid

AU0501154492 Tirana ATA in English 0900 GMT 5 Jan 92

[Text] Tirana, January 5 (ATA)—On January 4, the World Islamic Association centered in Libya organized a ceremony in the Arab People's Office of Libya in Tirana on occasion of the delivery of humanitarian medical aids for Albania. These aids consist of 117 different kinds of drugs estimated to about $20,000.

Attending this ceremony were representatives of the Ministry of Health, physicians, pharmacists, etc.

Attending was also Kristo Pano, minister of health; the chairman of the Albanian Islamic Community, His Excellency Hafiz Sabri Koci, etc.

The secretary of the Arab People's Office of Libya in Tirana, 'Abd-al-Hamid F. M. Farhat, delivering these aids, said among the other things, "I want to convey the greetings of leader Mu'ammar al-Qadhdhafi, leader of the September Libyan Revolution and of the Arab Libyan people to President Ramiz Alia, whom we wish good health and quick recovery, the Albanian people and all Albanian political organizations and parties. After pointing out that these aids are but the first step on the road of a closer cooperation in a near future, he stressed that Libya will give greater aids to the friendly and fraternal Albanian people. Likewise, Mr. Farhat expressed his confidence in the perspective development of our relations of cooperation in all the fields.

The minister of health, Kristo Pano, after expressing his thanks for President al-Qadhdhafi, the Libyan people, the delegation of the World Islamic Association centered in Libya, and Mr. Ambassador for these aids, said that they are a sign of lofty humanism. Likewise, he expressed

his cordiality to Mr. Ambassador who was ready to afford another aid to the Albanian people.

Massive Livestock Sale to Greece Criticized

AU0501192592 Tirana BASHKIMI KOMBETAR in Albanian 27 Dec 91 p 2

[Agim Bajrami article: "Sale of Livestock Across the Border Continues"]

[Text] "Come on, who has sheep to sell to Greece? Trade them for tape recorders, carpets, and drachmas. Don't miss your chance." This is a refrain you hear every day among the villages and agricultural enterprises of the Korce and Pogradec areas. You think hard and your flesh creeps when, a few hours later, you see hundreds and hundreds of animals of all kinds herded by wheeler-dealers and traders skilled in these matters setting off toward our southern border, as if they had won citizenship rights. The exodus continues all day and all night. Not much is said about this painful loss. The peasants are now used to chance profits that damage the entire country's economy. Let us not forget that on a normal day more than 1,000 head of livestock leave the departure points of Rakicke, Zagradec, etc. As some peasants involved in this business tell us, on busy days Greek traders and butchers from Florina and Thessaloniki buy more than 2,000 head of the best-quality fattened calves and goats that our peasants have raised and fed with so much effort.

Our border resembles an inn with 100 doors. Not one of our border guards has tried to stop this business. Little children in these districts have now learned the trade. What are the financial police doing? Have the pluralist executive committees ever considered this problem that is so decisive for the fate of our economy? No doubt they have not. There is no other way of explaining the calm and confidence of the wheeler-dealers at the points where these livestock are traded. A worried villager told us that the pluralist village councils remain silent, or rather, members of the councillors' families have become traders themselves.

"We know it is not right," some villagers from the Devoll region told us. "We know that this trade with Greek smugglers will reach the point when our lips will be parched for want of a drop of milk, but, because we are short of fodder and the selling price on our market is lower than that offered by Greek traders, we are forced to behave in this way."

This business, which has been following its own sweet way for months, must come to an end immediately, all the more so because this exodus of livestock is spreading beyond southern districts to such areas as Elbasan, Durres, and Fier.

Gentlemen of the government, closing your eyes to such a disaster means incalculable harm to the country's devastated economy. This massive drain of livestock must end at once.

Interior Ministry Denies 'Mass Dismissals'

AU0401195592 Sofia Khristo Botev Radio Network in Bulgarian 1830 GMT 4 Jan 92

[Text] In connection with the reports that have appeared in certain mass media that mass dismissals are taking place of leading officials in departments and units of the Ministry of Internal Affairs throughout the country, the Interior Ministry Press Center has been authorized over the telephone by the minister of internal affairs to state that these reports do not correspond to the truth. These reports are creating unnecessary tension among the ministry's employees and are giving a false impression of the changes that are being carried out within the ministry, which conform to the comprehensive democratic changes under way in the country.

As of 1 January 1992, under orders issued by Interior Minister Yordan Sokolov at the end of last year, directors, deputy directors, and other leading officials of the regional directorates of the Ministry of Internal Affairs in Burgas, Dobrich, Turgovishte, Silistra, Blagoevgrad, Ruse, Varna, and Pazardzhik have been relieved from their posts in the Interior Ministry organs, as well as chiefs and deputy chiefs of services attached to the ministry's central administration.

These dismissals were carried out on the basis of the Law for the Organization of the Ministry of Internal Affairs. A large number of the officials were relieved of their posts in connection with retirement, and there are only a few cases where officials were dismissed because they were unfit to fulfill their duties. These officials are being replaced by professionals with proven qualities. There cannot be, nor have there been, any dismissals for political reasons in a depoliticized ministry, which the Ministry of Internal Affairs indeed is, declares the Interior Ministry Press Center.

Dismissal is based on drafted criteria, including: educational standard; professional training; psychological and physical qualities; state of health; commission of crimes of a general nature or grave disciplinary offenses; direct participation in repressive actions or operations in the revival process, the campaign against the intelligentsia, and so on; utilization of official position for selfish motives; and the commission of acts that substantially damage the prestige of the Ministry of Internal Affairs.

The employees of the Interior Ministry, especially those in the national police, should know that the Ministry of Internal Affairs not only cannot permit reductions in their numbers, but also has submitted a claim in the new ministerial budget for most of the departmental police forces and fire brigade services to be transferred to the strength of the Ministry of Internal Affairs, as well as a demand for a further 4,000 established police posts to be allocated for work connected with the defense of public order and fighting crime.

Sokolov Denies 'Purge' Reports

AU0401211892 Sofia BTA in English 1931 GMT 4 Jan 92

[Text] Sofia, January 4 (BTA)—There is evidence that capital is being exported from Bulgaria via bank channels. Capital is also being exported for unrealized contracts, Mr. Yordan Sokolov, minister of the interior, said on the Panorama political weekly round-up show of the Bulgarian Television tonight.

Thus he answered in the afirmative when questioned by the host of the show concerning rumours about exporting property of companies affected by the recently passed act on the property of the Socialist, ex-Communist, Party and of other official organizations of the totalitarian past.

There is also evidence that valuable articles are being moved from the buildings of the affected organizations. Guards were placed in front of the former headquarters of the Bulgarian Socialist Party in downtown Sofia after a meeting with its leadership, Mr. Yordan Sokolov said.

Mr. Sokolov refuted the rumours, spread by some pro-Socialist papers, that a political purge is under way at the Ministry of the Interior. The Ministry of the Interior is depoliticized, he recalled. Most of the dismissals were due to the advanced age of the employees. "Obviously some forces are trying to create an atmosphere of insecurity at the ministry," Mr. Yordan Sokolov stated repeatedly.

General Lyuben Petrov, chief of the General Staff of the Bulgarian Army, also made a refutation in Panorama. He called the allegations that the fighting trim of the Bulgarian Army had been reduced to nothing groundless and not corresponding to the truth.

Zhelev-Dimitrova Team Refuses Debate Invitation

AU0301193892 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 3 Jan 92

[Text] The Electoral Press Center representing Dr. Zhelyu Zhelev and Blaga Dimitrova as candidates for the forthcoming presidential elections submitted the following announcement to the Khorizont Radio Network:

On the occasion of the invitation addressed by Messrs. Petrushev, Ganchev, and Beron for a debate with Zhelev, the press center would like to confirm that the president has already declared his view of such debates.

With the purpose of observing principle equality in the election campaign, the president will participate only in a debate involving all presidential candidates, evidently physical impossibility. No exceptions shall be made, even for Ganchev and Beron, said the press center.

Presidential Candidates Meet With Voters

AU0401204392 Sofia BTA in English 1844 GMT 4 Jan 92

[Excerpts] Sofia, January 4 (BTA)—There is one more week to go before the presidential elections. The presidential candidates are holding meetings with electors. The Academician Blagovest Sendov-Associate Professor Ognyan Saparev team and ex-prime minister Dimitur Popov had meetings with the citizens of Khaskovo (southern Bulgaria). [passage omitted]

According to Mr. Krum Kumanov, leader of the Campaign Alliance for National Salvation and presidential candidate, the small opposition parties will probably form an alliance in the forthcoming elections to support the candidature of one of the independent teams. [passage omitted]

KNSB Details Upcoming General Strike

AU0401171692 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 4 Jan 92

[Text] The leadership of the Confederation of Independent Trade Unions in Bulgaria [KNSB] gave a news conference today. The attending journalists were briefed on the details of how the national strike called for 8 January had been organized.

Mrs. Diana Damyanova announced that the aim of this warning action was to persuade the government to change its social policy.

The journalists were also informed about the meeting held last night between the KNSB leadership and Prime Minister Filip Dimitrov, at which the procedures for applying the law on the return of property by totalitarian organizations were discussed.

Discord Over Planned Strike

AU0401191592 Sofia BTA in English 1658 GMT 4 Jan 92

[From BTA review of Sofia press on 4 January]

[Excerpt] Sofia, January 4 (BTA)—[passage omitted] The press gives prominence to the strike scheduled by the Confederation of Independent Trade Unions in Bulgaria (KNSB) for January 8.

About 30 per cent of the KNSB members have declared their readiness to go on an effective strike and almost one-third will go on a token or one-hour strike, "DUMA" reports, pointing out in a headline that there will be a strike. According to "DEMOKRATSIYA" the KNSB is rent by conflicts and there may be no strike. At yesterday's stormy session of the Coordinating Council of this trade union amalgamation there were demands for the resignation of the KNSB leader Professor Krustyu Petkov, "DEMOKRATSIYA" writes, citing anonymous well-informed sources. The action planned by the KNSB will fail but will be assessed as extremely successful, Mr. Yanko Khadzhigeorgiev, chairman of the National Strike Committee of the Podkrepa Labour Confederation, projects in the "PODKREPA" daily. "FAKS" quotes Podkrepa Vice President Oleg Chulev as saying that he suspects the KNSB of an attempt to overthrow the president and impose martial law. [passage omitted]

KNSB Not To Protest Property Confiscation

AU0401201092 Sofia Khristo Botev Radio Network in Bulgarian 1830 GMT 4 Jan 92

[Text] The Confederation of Independent Trade Unions in Bulgaria [KNSB] does not intend to present the government with a package of claims on its need for property, because this conflicts with the principle that the state should not interfere in the trade unions' work. At a briefing held in Sofia today, it became known that this standpoint was defended by the KNSB leadership at a meeting that was held last night [3 January] with Prime Minister Filip Dimitrov on the procedures for applying the Law on the Return of Property by the Totalitarian Organizations.

The KNSB allows the Council of Ministers the right to determine the criteria according to which the confiscated property is to be distributed in return for payment, and will accept any decision that the Council of Ministers reaches. However, it will insist that it be placed on an equal footing with the Podkrepa Labor Confederation.

The KNSB Executive Council expresses surprise that the Property Confiscation Act does not apply to the Bulgarian-Soviet Friendship Committee.

Army Spokesman Confirms Training, Efficiency

AU0401212792 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 3 Jan 92

[Text] In connection with certain statements made at recent news conferences of political parties and presidential candidates concerning the combat readiness of the Bulgarian Armed Forces and the training process of its units and sub-units, Major General Stoimen Stoimenov, official spokesman of the Ministry of Defense, made the following statement on behalf of the Army's General Staff and the ministry:

According to the opinion of the Army's General and the commanders of all branches of service, life in the Army and the training process of the troops are proceeding according to the plans on combat readiness and combat training.

As far as the ground forces are concerned, the planned activities related to mobilization, organizational readiness, and the tasks of combat and political training are being fulfilled, while muster assemblies, tactical exercises, and exercises with combat units planned for the month of January 1992 are expected to be successfully implemented and further pursued.

The Anti-Aircraft Defense and Air Force troops are proceeding with their combat training according to plan. The military exercises by the Bulgarian Navy are also proceeding according to plan.

Colonel General Lyuben Petrov, chief of the Bulgarian Army's General Staff, confirmed in addition to this, that the planned exercises in connection with the combat and operational training of the troops and the mobilization and organizational readiness of the administrative organs will be implemented in accordance with the plans of the Ministry of Defense and of the various Armed Forces branches. The intensity of training will be slightly reduced in comparison with 1991 because of financial difficulties and a shortage of materials and equipment. However this does not affect combat readiness and the military exercises of the units. This is what Major General Stoimen Stoimenov, official spokesman of the Ministry of Defense, declared in a statement to Khorizont Radio Network today.

Zhelev Promises Support to Macedonia's Gligorov

AU0401191992 Sofia BTA in English 1729 GMT 4 Jan 92

[Text] Sofia, January 4 (BTA)—"Bulgaria's stand in favour of a free and independent Republic of Macedonia, no longer the target of territorial claims by neighbouring states, is well known," Bulgarian President Zhelyu Zhelev stated in response to a message of Macedonian President Kiro Gligorov concerning Macedonia's wish to be internationally recognized as an independent state.

President Zhelyu Zhelev recalls in his message to Mr. Kiro Gligorov, published here today, that he has repeatedly expressed the readiness of the Bulgarian side to "recognize the legitimately expressed will of the Macedonian people for the Republic of Macedonia to develop as a sovereign state."

In his message Dr. Zhelev adds that "Bulgaria assesses the unity of action of the EC member states on the crisis in Yugoslavia as a source of hope for the overcoming of the old rivalry between the European states for dividing the Balkans into spheres of influence." Bulgaria supports the approach adopted by the EC on December 16 last year for the equal treatment of all Yugoslav republics which have expressed their will to be recognized as independent. "We fully support the criteria listed in the declaration on the recognition of the new states and we are convinced that Bulgaria will recognize the independence of the Republic of Macedonia along with that of Slovenia and Croatia," it is pointed out in the message.

Stressing that Bulgaria's sole wish concerning the Republic of Macedonia is "to see its population free and capable of deciding its own fate," President Zhelev added that he sees this as a precondition for considerably more active and all-round cooperation between the two countries.

Discusses Macedonian Relations

AU0601134592 Sofia BTA in English 1007 GMT 6 Jan 92

[Text] Sofia, January 6 (BTA)—"I do not know what part of Macedonia's population would declare a Bulgarian identity but regardless of that we will be seeking to develop close economic, political and cultural links with the Republic of Macedonia with full respect to its state sovereignty," President Zhelyu Zhelev told "TRUD." He pointed out that Bulgaria is for the opening of the border with Macedonia and with all other Balkan states. "We insist that Macedonia be recognized by the EC as an independent state together with Slovenia and Croatia. It should not be separated, but should be treated in the same way they are," Dr. Zhelev said.

The president's statement was an answer to the daily's question about his views on the Macedonian issue in connection with a recent report that over two thirds of Macedonians are likely to declare a Bulgarian national identity.

When asked about his attitude to the conflict in Yugoslavia as related to Bulgaria's national security, President Zhelev said: "As regards these conflicts in Yugoslavia, I have said many times that the republics' right to form independent states within their borders should be acknowledged. This policy is closely related to Bulgaria's national security and corresponds to its interests."

Urges Independence Recognition

AU0501171592 Sofia BTA in English 1657 GMT 5 Jan 92

[Text] Sofia, January 5 (BTA)—At a campaign rally held in Sofia today, President Zhelyu Zhelev called on the EC to treat Macedonia on a equal footing with the other Yugoslav republics.

"We insist that the independence of Macedonia be recognized together with that of Slovenia and Croatia. Bulgaria will recognize the independence of Macedonia and of the other two breakaway republics immediately after the European Community does so," the Bulgarian president said. He added that Macedonia meets all requirements set by the European Community for the recognition of the new states of the former communist system.

At today's rally the team of the ruling Union of Democratic Forces (SDS)—the incumbent President Dr. Zhelyu Zhelev and Mrs. Blaga Dimitrova, received the approval of Sofianites. The rally was attended by Prime Minister Filip Dimitrov, by ministers and by MP's. The team of the SDS is the first presidential candidate team to hold a rally in Sofia.

In his campaign speech Dr. Zhelyu Zhelev described as unique the fact that for the first time in decades the Bulgarians have the chance of taking a worthy place among the European peoples. "This rare chance offered

us by history will help us pursue an independent foreign policy and guarantee our national security," Dr. Zhelev said.

Dr. Zhelyu Zhelev, who according to the sociological surveys stands the greatest chances of winning the elections already at the first round, said that he will work for the strict observation of the principle of the division of powers, that he will use all his constitutional powers to strengthen social order and legality and will do everything possible to make the court, the prosecuting magistracy, the investigating authorities and the police fulfill their duties in combating crime and lawlessness.

Dr. Zhelyu Zhelev also pledged to work for Bulgaria's economic security, for consolidating social peace, for enhancing tolerance and cooperation among the ethnic groups comprising the modern Bulgarian nation. He will strive to provide foreign guarantees for this country's national security and territorial integrity through its integration into the European structures.

Zhelev Holds Meeting With Diplomatic Corps

AU0301122292 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 3 Jan 92

[Text] This morning Dr. Zhelyu Zhelev, president of the Republic of Bulgaria, held a traditional New Year meeting with the leaders of the diplomatic missions accredited in Bulgaria at the Boyana Residence in Sofia.

Mr. Fawzi al-'Ani [name as heard], ambassador extraordinary and plenipotentiary of Iraq and doyen of the diplomatic corps, thanked the president on behalf of those attending for the invitation to the meeting and offered Christmas and New Year greetings to the president and the Bulgarian people. Mr. al-'Ani spoke of the respect and delight felt by the diplomats regarding Bulgaria's achievements in the peaceful transition and expressed their wishes that the undertaking should be crowned with full success. He voiced the diplomats' hopes for greater peace, security, and stability throughout the world in the New Year.

Today's Bulgaria is an interesting country for foreign diplomats to work in, President Zhelev said. You are witnessing the historic transformation of in our society and observing the radical changes taking place in the country.

The president thanked the diplomats and their governments for their moral, political, and material support and especially emphasized the support provided by all the countries that have sent humanitarian aid to Bulgaria.

Reviews Foreign Policy

AU0301134692 Sofia BTA in English 1218 GMT 3 Jan 92

[Text] Sofia, January 3 (BTA)—Bulgaria is conducting a foreign policy of integration, not of confrontation. This country wants to get integrated into the European political and economic structures, President Zhelyu Zhelev said at the meeting with leaders of diplomatic missions in Sofia, held traditionally at the beginning of every year. Dr. Zhelev expressed Bulgaria's willingness to sign bilateral treaties with all European countries as it did with Germany and Greece.

The Balkan countries are a priority in Bulgaria's foreign policy, Dr. Zhelev stressed. He described the development of relations with Turkey and Greece as very successful and said he saw considerable progress in relations with Romania. Bulgaria has shown it really can play the role of an important stabilizing factor in the Balkans, President Zhelev said. He gave an example pointing to this country's stand on developments in Yugoslavia. "We are not taking advantage of the difficulties of our Western neighbour and did our best not to escalate tensions in the region," Dr. Zhelev said.

Stating that Bulgaria made its contribution to big international politics in 1991, President Zhelev listed its principled position in defence of Kuwait's sovereignty, its role in the disintegration of the Warsaw Pact, the reaction to the attempted coup in Moscow, the defence of the principles and the norms of the Paris Charter in connection with events in Yugoslavia.

Addressing the diplomats, Dr. Zhelev thanked their governments for the moral, political and material support they gave to Bulgaria in this period. "For us international support is an expression of confidence, recognition and commitment to the young Bulgarian democracy," President Zhelev said.

Slovak Minister on Croatia, Slovenia Recognition

LD0301134692 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 3 Jan 92

[Report by correspondent Marina Balazov on news conference by Slovak Foreign Minister Pavol Demes in Bratislava on 3 January]

[Excerpts] I would like to add that Mr. Danic, staff member of the International Relations Ministry and member of the observers' mission to Yugoslavia, and Mr. Telgarski, director of the Slovak Committee of the Czechoslovak Red Cross, also took part in the news briefing. The only topic of the news briefing was the situation in Yugoslavia and Slovakia's assistance to refugees, particularly to the Yugoslav children, specifically from Croatia. Until now, 1,446 children have been evacuated to Slovakia; of those there are 420 children of our countrymen and 239 adults. The children have been accommodated in approximately 20 recreation facilities and some organizations have granted, within the framework of humanitarian assistance, a part of the childrens' stay free of charge. [passage omitted]

Danic gave a negative answer to my next question whether he, as an observer, found a Serbian village on the Croat territory whose inhabitants were murdered by the Croats. Already during Slovene President Milan Kucan's visit to Prague Czechoslovak President Vaclav Havel said that our country would be among the first states to recognize the independence of Slovenia and Croatia. And since 15 January, when some states of the European Twelve are going to recognize the independence of Slovenia and Croatia, is getting inescapably nearer, Minister Pavol Demes commented:

[Begin Demes recording] I think that the act of recognition will not automatically mean that the European Community will recognize them and that we will simultaneously do the same. I think that in this instance we have our own foreign policy, which is now being coordinated with the countries of the Twelve, because we have signed a European agreement. But I think that the act of recognition will be coordinated also with Poland and Hungary, as I already mentioned. [end recording]

Calfa, Russian Ambassador Discuss Upcoming Visit

LD0301174792 Prague CSTK in English 1518 GMT 3 Jan 92

[Text] Prague Jan 3 (CSTK)—Czechoslovak Premier Marian Calfa today discussed his coming one-day official visit to Russia, during which a bilateral trade agreement is to be signed, with Russian Ambassador to Czechoslovakia Aleksandr Lebedev.

Calfa told CSTK after the meeting that the agreement concerns above all oil supplies from the Commonwealth of Independent States (CIS) to Czechoslovakia. Calfa also said the date of the visit has not yet been fixed but he himself would like it to take place in the first half of this month.

A press release of the Czechoslovak Government office said Lebedev also raised a recent call by Russian President Boris Yeltsin for humanitarian aid. Calfa told Lebedev Czechoslovakia considers sending food aid to the CIS.

Lebedev confirmed that the CIS is at present not a subject of international law and that Russia is a successor to the former Soviet Union. International documents, approved by the former Soviet Union, including Czechoslovakia's financial claims, will be discussed during Calfa's visit, the press release said.

Referring to the Soviet debt owed to Czechoslovakia, amounting to 5,000 million USD, Calfa told CSTK it is necessary to re-examine commercial, credit and other bilateral agreements. Czechoslovakia has no agreement with the Russian Federation and the 1970 agreement with the Soviet Union is still in effect, Calfa said.

Dienstbier, Germany To Discuss Ties, Treaty Date

LD0401043192 Prague Federal 1 Television Network in Czech 1830 GMT 3 Jan 92

[Interview with CSFR Foreign Minister Jiri Dienstbier by unidentified correspondent; place and date not given—recorded]

[Text] [Correspondent] Minister, next Sunday you will be meeting your German counterpart, Mr. Genscher. What is the purpose of this meeting?

[Dienstbier] I will arrive in Germany on Sunday evening. We will then fly together to Stuttgart, where we will hold talks that evening and Monday on all kinds of topics. These will include discussions about the Conference on Security and Cooperation in Europe, as Minister Genscher is now the chairman of the Council of Ministers and I am to be the CSCE chairman after that organization's meeting in Prague in January. Therefore, I need to learn from him about how one chairs meetings of such an international organization. This is one area for the talks.

The second area will be bilateral issues. On the one hand we should finally set a date for signing the Czechoslovak-German treaty and find a date that suits both sides. As you know, finding a date is terribly difficult because everyone is very busy. Nonetheless, this is a fundamental issue that we have to resolve.

We will also discuss compensation for those who were persecuted during the war. We will discuss a whole number of bilateral issues, especially economic cooperation and the settlement of the debt that has arisen in convertible rubles in the former GDR. This debt has now become a debt in German marks. These are the basic issues that we are going to discuss.

[Correspondent] This certainly involves a great deal of work. What role will the treaty with Germany play in these talks and how much time will the talks about it take?

[Dienstbier] I expect the issue to be resolved very quickly. Either we agree on a date or we will have to say

within which period the date will have to be found. I want the date to be set within a month. We will not be discussing the treaty itself. As you know, various demands have been made to amend the treaty both from the Sudeten German circles and various other circles, but the treaty can no longer be and will not be amended. The treaty has been initialled and will therefore be signed in the form it has been initialled. In other words, no discussions about the treaty itself will be held.

Dienstbier Rejects State Security Agent Charges

LD0401044492 Prague Stanice Praha Radio Network in Czech 1730 GMT 3 Jan 92

[Studio interview with CSFR Foreign Minister Jiri Dienstbier by unidentified correspondent on 3 January—recorded]

[Text] [Correspondent] The reason we invited Foreign Minister Jiri Dienstbier to come here is an article that appeared in CESKY DENIK today under the headline: It Is Not Revenge; It Is Justice.

CESKY DENIK publisher Josef Kudlacek responds to the interpellation by Stanislav Devaty and three other deputies addressed specifically to you, Mr. Minister. It says, and I quote: We read with amazement what kind of rascals still represent our country in the world. They are not just mere State Security agents. In many cases they are true aces, leading State Security officials, who held their positions for many years. No fewer than 56 of these are still proving worldwide the uniqueness of our gentle revolution.

I would like to ask you to comment on this first paragraph. Afterward I will quote more.

[Dienstbier] I am sorry to note that Mr. Kudlacek refused to come here without Deputy Devaty, who was allegedly his source of information.

[Correspondent] He explained to us that he would not come without Deputy Devaty.

[Dienstbier] All right, but while he claims to have used Deputy Devaty's interpellation, Deputy Devaty never said anything of this kind. He asked whether 56 people—and he quoted their names—worked in the Foreign Ministry. This is why I claim that it upsets me, because at long last I would like to argue it with someone. Attacks are being continually waged against the Foreign Ministry for employing State Security officials. This is absolutely untrue. I do not want to speculate whether this was done intentionally. I hope that it amounts to some lack of understanding of matters by the majority of people.

[Correspondent] Excuse me, but there is one example quoted here. Of the 56, CSFR Ambassador to Nigeria Evzen Vacek is a State Security officer who was active for many years as a contact officer in the KGB. Before November 1989 he was deputy federal minister of foreign affairs. He spent 36 years in these services. There are only two ways to interpret this, says Josef Kudlacek's article in CESKY DENIK, and these are: Either you, as Mr. Minister, are incapable of executing your duties, because small details of this kind keep chronically escaping you, but, with regard to the level of your intelligence, he would be inclined to rule out this alternative. This leaves the only option, which is that Civic Movement Chairman Dienstbier follows some other objective because of his large-scale tolerance of State Security aces. What is your comment?

[Dienstbier] First, not a single State Security member works in the Foreign Ministry or in its foreign services. As far as Mr. Vacek is concerned, I checked this matter once again today. He is not a State Security colonel, but for one year he had been marked as a candidate for cooperation with intelligence. That is all. All this is typical. Of the 56 people, 33 ceased working in the ministry long ago. The remaining ones are not agents. The screening law does not apply to them at all. We are the only ministry or institution whose employees are abroad. As such, within six months we removed all 168 spies who were abroad. Based on the federal government decision we screened the entire diplomatic corps and dismissed the agents, not demoted them to other posts. Thus, this campaign is incomprehensible to me. The intentions behind it are very unusual. One should realize that the screening law, which has now come into force, would not make it possible for me to dismiss all those who left the Ministry of Foreign Affairs. The only thing I could do would be to demote them from specific posts.

The labor code, which makes it impossible to dismiss these people, is also in force. There is another thing I would like to say. The screening law is in force. I have my own opinion on it, but it is the law and it must be observed. We observe it absolutely strictly. This law bans the publication of the names of people who leave of their own accord. Many did so a year ago or more on the basis of an agreement. What applies to deputies who left their posts after being screened must all the more so apply to petty state bureaucrats.

I am really fed up with these attacks. They are untrue and irresponsible. Their most probable aim is to undermine our foreign policy, which, according to opinion polls, is very good.

[Correspondent] Thank you very much, Mr. Minister. I hope that Mr. Josef Kudlacek, publisher of CESKY DENIK, has been listening. Good-bye.

Dubcek Optimistic About CSFR Constitution Setup

LD0501151892 Prague CSTK in English 1442 GMT 5 Jan 92

[Text] Bratislava Jan 5 (CSTK)—"I hope that Czechoslovakia will continue to play the role of a stabilising factor in Europe and will contribute to the preservation of peace and creation of a new political, security and

economic order in the world", the chairman of the Czechoslovak Federal Assembly (parliament), Alexander Dubcek, today said.

In a regular interview for CSTK, he noted that during the four months of its autumn session the Federal Assembly passed 28 laws supporting the economic reforms in the country. "I believe that in the year 1992 the discussions on the constitutional setup of our common state will be completed and that the development of the statehood of both republics (Czech and Slovak) as well as of Czechoslovakia will be ensured. I am almost an optimist in this respect—encouraged also by the passage of the state budget of the federation, which I understand as an expression of the will to live in a common state", Dubcek said.

Pithart on Czech Justice Minister's Resignation

LD0301160192 Prague Stanice Praha Radio Network in Czech 1130 GMT 3 Jan 92

[Text] Czech Prime Minister Petr Pithart spoke today in an interview with Czech Radio about the resignation of Czech Justice Minister Leon Richter. He said that he had been informed about this only unofficially, and added that Minister Leon Richter is one of the busiest members of the government. His work is good and he works hard. It can, however, be seen that the office is exhausting him physically and mentally.

Petr Pithart also said that Leon Richter told him and Dagmar Buresova, speaker of the Czech parliament, yesterday that as a young judge more than 30 years ago he was trying at a district court a peasant, one of those who used to be called kulaks. He sentenced him for a criminal act of so-called speculation to three years imprisonment. This happened in the atmosphere of the fifties and the sentence was passed in the spirit of the law valid at that time.

Petr Pithart said that it was due to this that Leon Richter decided he would no longer carry out the office of a minister. To the comment that some dailies related the resignation of the Czech justice minister to the law on screening, Petr Pithart said that all members of the Czech Government had been screened a long time ago, including Minister Richter and his results were completely clear.

Carnogursky Interviewed on Developments for 1992

LD0401061192 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1700 GMT 3 Jan 92

[Interview with Slovak Prime Minister Jan Carnogursky by Lubomir Lintner; place and date not given—recorded]

[Excerpts] [passage omitted] [Lintner] What is your view on the development of society in 1992?

[Carnogursky] The development in 1992 should and ought to yield a turn or a reversal in the sense that positive elements should start emerging in the economic sphere. I have in mind a new structure for industry and the introduction of new production programs in enterprises. Our association with the European Community should also manifest itself, because the situation in our industry has eased and industry's access to Western markets is better.

The developments in the East remain, of course, the big unknown. We can only hope that conflict-ridden development will not emerge in the republics that have seceded from the former Soviet Union and that, on the basis of the agreement they concluded among themselves, they will succeed in ensuring a peaceful, coordinated, and agreed course of action among themselves and externally. Such developments in the East would be of great help to us.

Speaking in political terms, elections will take place in 1992. These elections will draw political representation ever closer to the true will of the population at this very moment. Furthermore, we will have to get used to the fact that democratic conditions reign here and that they will produce all kinds of disagreements, discussions, and disputes. We will simply have to live with these discussions and disputes. I hope this will result in civilized disputes, which will be obliterated by the realization of the need to attain a common goal, otherwise matters could become worse for us.

[Lintner] The assessment of the degree of success of our present development will depend on the success of economic transformation, on prosperity, and on the fact that the drop in the standard of living will not affect too large a group of our citizens. Critical voices are frequently heard in connection with the evaluation of the quality of the transformation of economic relations, saying that the speed of transformation is hampered by the existence of the so-called old structures.

In his New Year's address, the president used the term nomenklatura clans, which remain in the management sphere. Do you agree with this evaluation?

Over the last year you visited a number of regions in Slovakia. Do you think that only the most capable people are now in the leading posts?

[Carnogursky] The use of the words old structures or nomenklatura clans is of importance only if they are linked with specific names in specific enterprises. My experience with the replacement of management personnel dates back to February or March 1990. At that time, when the replacement of directors and elections of new directors began, I was in the federal cabinet. It was then linked with the hope that the situation in the enterprises would improve and mainly that the bond between the leading management in enterprises and the work force would be improved. It turned out that after some six to nine months dissatisfaction emerged in a number of enterprises with the new directors who, on the basis of elections held by the enterprises' work force, replaced the old ones. Thus, using the words old structures will not be of help to us.

On the other hand, we must respect the professional qualifications of leading management, if these qualifications are reflected in the results attained by the enterprises. In Slovakia we have a number of enterprises attaining good results under these new conditions. They employ members of management who held certain leading posts even before 1989. Even though they may not have been directors of the enterprises, they still hold leading posts. As long as the results attained by them are good, their leading positions will not be questioned.

[Lintner] Large privatization, which is to be implemented by the coupon method, is one of the steps in economic reform. You registered your own coupon book as early as the beginning of November. According to a recent report, 447,000 citizens in both republics, of which there are 114,000 in Slovakia, got their coupon book registered. This is not much. While various privatization funds offer to multiply the invested thousand korunas, people still harbor certain fears. How can you explain this?

[Carnogursky] The large privatization is still only a theoretical project, which has been very effectively thought out and perhaps even very efficiently presented. However, for the majority of the population it is, theoretically speaking, a project, in which they might partially not believe. Mainly they are unable to conceive of viable and practical advantages brought by the large privatization. I think that when the large privatization gets under way and when the first citizens learn of its advantages—or the fact that their thousand korunas expended on large privatization will multiply—that the purchase and the registration of coupon books will acquire a good pace also in Slovakia. [passage omitted]

[Lintner] At the moment we are voicing our New Year wishes. To end our conversation: What do you wish for the citizens of Slovakia in 1992?

[Carnogursky] I want them to realize that the conditions in Slovakia, the development in Slovakia, and the future of Slovakia depend, on them themselves and not on anyone else. They should be confident of their ability to achieve it.

Slovak National Party Outlines Economic Policy

LD0301153492 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 3 Jan 92

[Excerpts] At the last news conference held by the Slovak National Party [SNP] last year, party representatives told newsmen that they are drafting their own economic policy. They were not willing to give any more details then, but promised that the media would learn about them when appropriate. My colleague Igor Matlon asked SNP Chairman Jozef Prokes whether the right moment has now arrived. His answer was not negative and thus the following conversation took place.

[Begin recording] [Matlon] What is the philosophical basis of your economic policy?

[Prokes] In political terms it proceeds from the economic and political sovereignty of the Slovak Republic. It is based on the principle that the economy is a single integrated unit and that individual areas that exist today cannot be regarded as isolated sections of the economy. This means that a very close interlinking between agriculture and industry should be considered. We proceed from the fact that it is very much better to create an active employment policy, rather than paying an army of unemployed. The point is that at the present time this is the only way of progressively developing the economy. Moreover, we are fully aware that a self-sufficient economy is possible only if it meets the needs of approximately 350 million consumers. In this respect the Slovak population of 5 million is practically equal to the 15- million population of the common state. Therefore we need to attach ourselves to this enormous market in a direct manner, rather than going through a mediator.

[Matlon] What major changes in the Slovak economy will be initiated by your deputies in the coming period? Or, in the event that you are successful in the elections, what major changes in the economy will the SNP initiate?

[Prokes] To begin with, we will first of all focus on overcoming the present barriers hampering the development of private enterprise. I have in mind the creation of flows of information not run by the state, taxation (?rights) for private entrepreneurs, and a change in the existing taxation system which should come into force in 1993 but which requires certain adjustments and certain protectionist measures in the sphere of food imports. After all let's be quite frank, we can do without a television set, but we can hardly do without bread.

Furthermore we will focus on introducing measures aimed at investing foreign loans in technological development, or in other words in the ability of our enterprises to compete, and not in consumer electronics. The reason is that we could easily end up (?using) the loans in the same way as Poland does, which means that we will in essence consume them. This does not build an economy capable of repaying the loans later. We will also focus our attention on the development of transportation and communications in Slovakia, because this is the fundamental condition for those who want to invest in our country and for the development of the economy. Here is yet another principle on which our economic policy is based: We will strictly respect the ecology of the environment. [passage omitted]

[Matlon] Is it possible to implement your economic or rather socio-economic policy only in the event that an independent Slovakia comes into being?

[Prokes] Each of our policies will remain a mere Utopia unless we can be in charge of making truly competent and comprehensive decisions on the interlinking and relationship among individual issues. [end recording]

1991 Foreign Trade, Currency Reserves Figures

AU0201135392 Prague HOSPODARSKE NOVINY in Czech 27 Dec 91 p 9

[Jiri Pospisil article: "The Currency Situation Is Calming"]

[Text] At the beginning of the year, two big question marks were hanging over the economic reform. When liberalizing most prices, would we manage to stop their continuing growth? When implementing the internal convertibility, would we manage to keep the imbalance of payments (expressed as a deficit of approximately $2.5 billion on the current balance of payment account) within bearable limits, and thus keep the koruna exchange rate at its original level? Our further progress, the faith abroad in our eventual success, and the formation of a stable economic environment for our businessmen and for an inflow of foreign capital depended on the answer to these questions.

Domestic Market Prices

We passed through this period of the reform successfully. Following the larger price increases at the beginning of the year, price growth slowed down sharply at first, and as of June, prices practically stabilized altogether. This is a better than expected development. The deviation in the one-time price increase resulted in the first two months from the termination of subsidies and the overestimation of the possibilities to raise prices while maintaining the salability of goods. This was demonstrated by the tremendous profit growth at the beginning of the year and the subsequent lowering of prices of many products. It was motivated by efforts to revive the marketability of the goods, which hit, with the newly set prices, against a firm demand barrier. The average consumer prices and the manufacturer prices stabilized by June and have not changed much since.

Development of Industrial Manufacturing Prices in 1991

Index	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Same month of 1990 = 100	143.6	171.3	170.9	175.9	178.9	177.5	176.7	177.4	176.8	176.4
1990 = 100	124.0	119.3	99.8	102.9	101.7	99.2	99.5	100.4	99.6	100.0

Foreign Trade

At the very beginning of the year, our foreign trade relations were hit hard by the sharp decline in trade with our partners from the former CEMA, particularly by the worsening economic crisis in the USSR, the Persian Gulf war, and the worldwide recession.

Foreign Trade (in millions of dollars)

	30 Sep 91	30 Sep 90	Index
Total exports	7,491.1	8,694.0	86.2
Convertible currency	5,732.1	4,587.9	124.9
Nonconvertible currency	1,759.0	4,106.1	42.8
Total imports	7,309.5	9,390.7	77.8
Convertible currency	6,116.2	4,772.3	128.1
Nonconvertible currency	1,193.3	4,618.4	25.8
Total balance	+181.5	-696.7	
Convertible currency	-384.1	-184.4	
Nonconvertible currency	+565.6	-512.3	
Total foreign trade turnover	14,800.0	18,084.7	81.8
Convertible currency	11,848.3	9,360.2	126.5
Nonconvertible currency	2,952.3	8,724.5	33.8

Although this data does not reflect the territorial aspect of the trade balance of payment, the decline in trade in the nonconvertible region was not solely the result of the transfer to convertible currency accounting but also of the marked decline in trade with the former partners in the CEMA market. As of 30 September 1991, exports to developed countries increased by 11.4 percent, to EC countries by 139.1 percent. Because of difficulties in comparing the statistical data of 1991 with 1990, the growth would be substantially greater in the statistics of the partner countries.

During the past period, convertible currency imports grew faster than exports (128.1 percent). This was caused by crude oil imports having been paid in convertible currency. In relation to the developed countries, the

volume of imports has been basically maintained (i.e., it increased only slightly) at the level of 1990. We expect only a small deficit, or rather a balanced current account of balance of payment in convertible currency.

These export and import trends combined with the greater income from tourism and services led, together with a substantial help from the IMF, World Bank, loans from the Group of Twelve and EC countries, and the foreign capital inflow (the estimate for 31 December is in excess of $600 million) to a substantial reinforcement of our foreign currency reserves; hence, to a reinforcement of the convertibility of the Czechoslovak koruna.

Developments in Foreign Currency Reserves in Convertible Currency

	1990		1991			
	Dec	31 Mar	30 Apr	31 May	30 Jun	30 Sep
Official reserves	1,207	1,351	1,626	1,634	1,696	2,260.2
Gold	105	108	105	103	102	108.8
SDR [special drawing rights]	147.5					
Foreign currency						
Czechoslovak State Bank	354	399	372	360	581	609.4
Other banks	748	844	1,149	1,171	1,013	1,394.5
Total	1,102	1,243	1,521	1,531	1,594	2,003.9

The increasing pace of exports to countries with a market economy and, above all, the beginning and gradually strengthening flow of foreign capital are the first signals of the economic restructuring process.

The favorable situation has also been confirmed by the development of a parallel exchange rate of the Czechoslovak koruna in Vienna. A survey of individual monthly averages indicates a fast stabilization after the first quarter and a settling at a level very close to the official rate.

The overall calming of the currency situation and strengthening of our koruna are also indicated by other signals. First, a turn occurred in the development of the population's total income and expenditures, and a tendency toward savings has returned. Developments in term deposits have been particularly favorable. They increased since the beginning of the year by approximately 12 percent, i.e., by about 21 billion korunas. Foreign currency deposits also substantially increased—by approximately 11 billion korunas.

Topical Currency Policy

The progress achieved by the stabilization made a moderation of the currency policy in the second quarter possible. Credits to enterprises and households increased (as of 30 September by 18.7 percent, the estimate for 31 December is for an increase of approximately 27 percent). It is very positive that a substantial part of the credits goes to the private sector (these credits formed one-half of the total credits in the third quarter, while in the first half they formed only one-quarter).

The pace also increased in the development of the currency reserves (M) and its components. The money aggregate M2 (money in circulation, current deposits, and term deposits) increased this year by 14.2 percent (+78.2 billion korunas). A similar development was recorded in the money aggregate M1 (money in circulation and current deposits). These changes were affected by the changing discount rate and the maximum interest rate—means used by the Czechoslovak State Bank to support a greater credit activity of the banks.

In the first quarter, when the average interest rate on loans substantially increased to 14-15 percent but the expectations of future developments were high, the koruna deposits (mostly current accounts) declined, and a shift from M1 to M2 occurred (i.e., to term deposits and foreign currency deposits).

In the second and third quarters, when financial developments stabilized, and the expectation of inflation was lower, the distrust of the Czech koruna gradually disappeared. This was illustrated in the renewed growth of koruna deposits, particularly the term deposits. As a result the aggregate M2 grew faster than M1.

In the third quarter, when the Czechoslovak State Bank lowered the discount rate, the deposit rate of interest declined. During this period, the decline in the current acounts ceased, and the circulating currency increased at a growing pace. The term deposit growth slowed down. The M1 grew faster than M2. By the end of the year the growth of the M1 should be 3 to 4 percentage points higher than the M2.

Katona: 'Better Chances' for New SFRY Cease-Fire

LD0401221192 Budapest MTI in English 1740 GMT 4 Jan 92

[Text] Budapest, January 4 (MTI)—The current Yugoslav ceasefire has better chances than the previous ones, as signs of exhaustion can be observed in the Yugoslav People's Army, said Tamas Katona, Hungarian secretary of state for foreign affairs, in a statement with BBC.

With respect to whether Hungary, as a member of the United Nations Security Council, can now play some sort of role in the creation of peace, Katona said: "Hungary should not accept a direct role, in view of the war propaganda and the many accusations that have been made. What Hungary should continue to do is to keep its distance from this affair, mainly in the interest of the Hungarians living in Vojvodina. What we can do is to ensure all connections of Serbia towards Europe. The telephone lines run on our reserve lines, Serbia's road, railway and air transport leads through Hungary. These are gestures which are quite expensive for us, but we have made these because we feel it is our obligation to think about the period after the war. The 500,000 Hungarians will remain in Serbia's Vojvodina province.

"We have to do everything in the interest of an acceptable, what is more, a good Serbian-Hungarian relation. It would thus be dangerous for Hungary to accept the role of an arbitrator, as this would immediately be misunderstood in Belgrade," Katona said. "At the same time, the Security Council, the United Nations are the forums which can ultimately handle the Yugoslav crisis."

In answer to whether Hungary will be able to avoid playing the role of arbitrator as a member of the UN Security Council, due to the bankruptcies in the Soviet Union, the secretary of state for foreign affairs said: It is worthwhile to note the Hungarian evaluation also with respect to the Soviet Union, for Hungary began talks with the Ukraine in 1990, and it was not accidental that it signed nine agreements with Kiev in the spring of 1991.

UN Arms Embargo Observance Stressed

LD0401111892 Budapest Kossuth Radio Network in Hungarian 0500 GMT 4 Jun 92

[Excerpt] Yugoslavia is accusing Hungary of breaking the UN arms embargo. By the way, it is accusing not only us, but also Germany and Austria, and claims that other countries also tried to deliver arms to the Croatians. All this is contained in an official Yugoslav document published in New York, the seat of the United Nations. One of the UN Security Council committees will examine adherence to or non-fulfilment of the arms embargo. Regarding this, member states had to give an account about themselves and in this Hungary strongly declared that the Hungarian side fully respects the arms embargo. [passage omitted]

State Secretary Examines Regional Relations

LD0501141992 Budapest Kossuth Radio Network in Hungarian 0730 GMT 5 Jan 92

[Studio interview with Gyula Kodolanyi, titular state secretary and head of the prime minister's advisory body, with correspondent Agota Narancsik and unidentified editor in chief in Budapest, incorporating recorded interviews with Sandor Pal, leader of the Democratic Community of Magyars in Vojvodina; Peter Hunic, adviser to President Havel; and Gyorgy Szapary, Hungarian representative to the International Monetary Fund, by unidentified correspondents, place not given; from the "World Clock" program—live]

[Excerpts] [passage omitted] [Editor in Chief] What is your opinion of Russia's future role? [passage omitted]

[Kodolanyi] The question has arisen of whether there will be a satellite system [bolygorendszer] in place of the former Soviet Union, or whether a multi-centered system will develop. I think that both will happen. We must reckon with a multi-centered system in which Russia will be the strongest power. And I have to say that this entire development has not befallen us unprepared. [passage omitted]

We feel that the movement getting under way in all of the Soviet Union's territory is much more hopeful, at the outset, than that in Yugoslavia a year ago. We consider it very important that here, at least three strong leaders can be found, who recognize the responsibility falling on them, and who are able to hold talks. They can sit down and hold talks with one another.

[Editor in Chief] Whom are you thinking of, by name?

[Kodolanyi] I am thinking primarily of Kravchuk, Yeltsin, and Nazarbayev. It is also important that the Western powers have drawn certain lessons from the Yugoslav conflict, and they have exerted strong influence in the sense that when the split became visible, from the outset they warned the future leaders especially of the nuclear responsibility.

[Narancsik] If we speak of the possibility of conflicts, what could the Hungarian Government do if, heaven forbid, some sort of armed conflict were to break out between the successor states of the former Soviet Union? [passage omitted]

[Kodolanyi] I imagine it is apparent, from what I said earlier, that we, in this sphere, do not have the most pessimistic views. Basically, since Hungary had the leading role in the current period of change in the past three years, I think that the Hungarian opposition which now constitutes government, in part, and parliament, in part, was aware from the first minute that processes of seeking independence in this region could not be halted. I do not simply call these disintegration processes because it can also be expected that the region's reponsible politicians will also be aware of the integrating and confederating forces. [passage omitted]

It obviously is much easier to split apart than to hold talks and cooperate; however, the forces of negotiation and cooperation are also strong. As I indicated earlier, Yeltsin and Kravchuk are aware of the enormous responsibility, and the question really is whether Yeltsin will be able to gain absolute power, since the black horse, here, remains the army. [passage omitted]

[Narancsik] The other gunpowder keg in Europe is Yugoslavia, and the effect of this on us is not only indirect since there are nearly half a million Magyars in Serbia. [passage omitted]

The Democratic Community of Magyars in Vojvodina [VMDK] not long ago, for the umpteenth time, again turned to the Serbian leadership, on this occasion to Radoman Bozovic, the new premier, with a proposal for talks. An unidentified correspondent asked Sandor Pal, one of the VMDK leaders, about this.

[Pal] This is not the first time that we are proposing discussions of this type to the premier or the president of the republic. To date we have not met with understanding and it appears that the party representatives in power did not want to discuss nationality matters. The current premier, when he was elected, stated that he was ready to conduct dialogue with everyone. In the wake of this, we appealed to him by way of letter. Our theses and demands, properly speaking, are the former ones.

The problem of the Magyardom in Vojvodina is that the rights guaranteed in the socialist system are quickly being cut back, they are ceasing by means of a direct abolition of the rights or as a result of not ensuring the material requirements. A solution, naturally, would lie in the appropriate democratic collective rights, including self-government based on the personal principle [szemelyi elven alapulo oenkormanyzat]. Thus, we should like to discuss, with the head of the republic's government, everything which is included in this principle—primarily in the three spheres of education, culture, and information.

When we entered parliament we proposed the formation of a nationality ministry. This was rejected. Then we proposed ministry departments in the case of education, culture, and information. Nor was this accepted. We believe that inasmuch as they really want to progress forwards, it will be necessary sooner or later to appreciate and accept our ideas.

[Unidentified correspondent] Have you stated that minority rights should be guaranteed by law?

[Pal] And how! Not only individual, but collective minority rights. We are preparing a note on the number of laws enacted by parliament, in the period of one year of work, in which nationality rights were directly violated—for example, there are passages in the law on information where mother-tongue provision of information is not guaranteed, saying that the issue at hand is information, in general.

[Unidentified correspondent] Precisely what would you like to be included in these minority laws?

[Pal] The cultural institutions should be financed from the budget, at least to the same extent as the contribution made by the nationality (?to) the budget, as the amount it produces. This should be on the basis of a program which, of course, would be produced by a minority council in a democratic manner. It would be a multiparty pluralist council. Thus, the issue here would not be the realization of one party's ideas.

[Unidentified correspondent] Can it be expected that the VMDK might take joint action with the opposition parties for the guarantee of minority rights?

[Pal] Well, one of the parliamentary parties, the Democratic Party, the other day said that several (?types) of agreement ought to be concluded with the nationalities. It is also noteworthy that one of their deputies, when the government was formed, found lacking the presence of the nationalities in the government.

[Narancsik] Mr. State Secretary, is there any chance at all that the Hungarian Government might be able to provide any support, other than moral to the Magyars of Vojvodina?

[Kodolanyi] We naturally have a possibility for this. I believe that public opinion is not sufficiently aware of what is entirely clear to the Serbian politicians. Hungary, properly speaking, is Serbia's umbilical cord towards northern-western Europe. Therefore, properly speaking, Serbia's entire transport, road and railway transport, its telephone link with western and northern Europe, goes through Hungary.

Not only does it follow from this that it is not in Serbia's interests, for example, to open a war front with Hungary. Thus, this cannot be expected, rationally. It also follows from this that Hungary can expect, in exchange, that the Magyardom of Vojvodina should not be harmed, and inasmuch...

[Editor in Chief] So could it be treated as a sort of compensation deal?

[Kodolanyi] Regarding concrete steps in this sphere, we have only taken the first steps. We think, however, that this is a real possibility. The other thing is that we must think, and this is not only a Hungarian-Serbian issue, that one of the basic pillars of the settlement proposed by the EC is, and this is a Serbian interest, that the Serbians living in Croatia's territory should enjoy full rights. The precise form of this still has to be worked out. However, it is also obvious that this also means that the Serbs will be obligated to give these same rights in their own territories, at least in principle.

[Editor in Chief] If we speak about a settlement, I believe there is no short-term solution to the civil war. Neither side is strong enough to defeat the other side once and for all. Those outside, and I mean the EC, NATO, and the

UN, are not willing to intervene, which perhaps could bring an end to the bloodshed. What do you expect regarding Yugoslavia?

[Kodolanyi] I think that the current flare-up of fighting will still last a while. However, the recognition of Slovenia and Croatia, and perhaps other republics, would create a completely new situation regarding international law. The war would turn from a civil war into an international war, and in this situation one who takes the initiative must reckon with very many damaging consequences. The other thing is that we must be aware that the human, moral resources of the Yugoslav Federal Army, which now, as we know, serves primarily Serbian interests, are not inexhaustible. And, to be sure, they are rather worn out.

[Narancsik] Let the next scene be Czechoslovakia, where the central political issue last year was whether the country would remain unified. An unidentified correspondent has asked Peter Huncic, one of the advisers to President Havel, whether it is necessary to reckon with Slovakia's breaking away. [passage omitted]

[Unidentified correspondent] What dangers are there in the trend which is being asserted in Central-Eastern Europe, Eastern Europe—namely the populist trend which is spiced with a good dosage of demagoguery? [passage omitted]

[Huncic] There is no question of anyone accusing the Slovaks overall of nationalism. It is necessary to look exactly at who the people, the political groupings are who want independence. [passage omitted] It is not the so-called Democratic Slovak groups, but rather the extreme nationalist groups, who request an independent Slovakia, and I do not believe that there is a guarantee that these groups could ensure for the minorities the legal security which all of Czechoslovakia could ensure. In this case, the matter would have an international aspect, namely that an independent Slovakia, with constant internal strife, minority problems, in my view, would be able to destabilise the entire region, too.

[Editor in Chief] Mr. State Secretary, do you think that the danger mentioned by the adviser to the Czechoslovak president exists?

[Kodolanyi] [passage omitted] It appears that the issue might be at rest at the moment, and it is possible that we shall not have to prepare for any dramatic development prior to the June elections. All in all, I feel that this not a Yugoslav situation.

[Narancsik] Is there any sense in asking what is better for Hungary, a unified Czechoslovakia or two independent states, a Czech and a Slovak one?

[Kodolanyi] [passage omitted] We must be ready for all sorts of scenarios, and we cannot intervene in the internal affairs of a country with which we have very good cooperation. We, properly speaking, must pay close attention, we must watch the direction taken by the main forces of political development. Our important interest, and we must try to assert this, is that there should be a political setup in Slovakia which is democratic, which respects minority rights, and this state formation, whether it is within or outside a federal framework, should be one with which the great European integration can be realized. [passage omitted]

[Editor in Chief] I have heard speculation that a possible independent Slovak state would seek relations primarily with Hungary, because if Czechoslovakia were to split into two the Czech lands would be considered by it as an opponent rather than as a partner. Is this possibility conceivable?

[Kodolanyi] I believe that this is not an "either or" situation. Obviously we would willingly be good partners of Slovakia, but this naturally does not mean either Czech lands, or Slovakia, or Czechoslovakia. [passage omitted]

[Narancsik] Since the changes in Central and Eastern Europe began, the issue of possible Marshall aid intended for the region has been in the air. An unidentified correspondent has asked Gyoergy Szapary, Hungarian official to the International Monetary Fund, about this.

[Unidentified correspondent] To what extent are these ideas regarding a new Marshall Plan serious?

[Szapary] The issue of financial aid or a Marshall Plan is regularly raised, primarily in the international press and among academicians, and politicians sometimes also raise the issue. However, to my knowledge no government of a creditor country has made a concrete proposal. U.S. Secretary of State James Baker has convened a meeting for mid-January in Washington so that the issue of financial aid for the Soviet Union should be discussed. To my knowledge, only the aid to be provided for the Soviet Union will be discussed here. I add that when aid is mentioned here, they mean credits, primarily, and not aid. [passage omitted]

[Narancsik] Mr. State Secretary, Geza Jeszenszky will attend with you the January meeting urged by Baker, which was mentioned in the interview. How are you and the Hungarian Government preparing for these talks?

[Kodolanyi] This will be a crisis-management consultation which we also urged. [passage omitted]

Geza Jeszenszky will take a package which contains the plans we earlier urged at the EC, and in Japan, according to which Hungarian agriculture and the pharmaceuticals industry should have a considerable part, as a deliverer, in the emergency aid which is indeed necessary and which is to be provided for the USSR.

[Editor in Chief] [passage omitted] On a historical scale it is clear that support for the Soviet successor states is in the interest of us all. At the same time, we remain here, we look at our pockets, and they are empty.

[Kodolanyi] Raising the question is justified, and I imagine it occurs to many people. [passage omitted]

In the Soviet Union, Yeltsin must successfully carry Russia through this hard winter without major social shocks. That is why there should be emergency aid. Overall, the question you raise gives the appearance of a buffer zone developing between Russia and Ukraine as well as Western Europe. However, this is not at issue. Western European thinking conceives of the future Europe in concentric circles. There is an inner circle, the current European Community, followed by the Visegrad Three and the countries which will soon join the EC within a short time, and then comes the Ukraine and so on, at least in an economic sense.

It does not fit this concept that we should be neglected. I have to say that to this day, the West does not have a global strategy for handling this issue, but hopefully time will bring this. [passage omitted]

Minister Kadar Conveys Economic Optimism

AU0301124692 Budapest UJ MAGYARORSZAG in Hungarian 2 Jan 92 p 7

[Interview with Minister for International Economic Relations Bela Kadar by correspondents Doczy and Peter; place and date not given: "A Well-Founded Hope for Recovery"]

[Excerpts] [passage omitted]

[Kadar] Many people call me the Hungarian Government's most optimistic minister, but I accept that because my optimism is well-founded. When I say that 1992 will be a turning point in Hungary's international economic relations, I mean what I say. For the first time in many years, Hungary's success in economic diplomacy has facilitated a boost in exports. Hungary has achieved a so-called shift of center in its external economic relations, succeeding in redirecting the bulk of Hungarian products ousted from eastern markets into western ones.

Some liveliness has also begun to show in the markets of our eastern neighbors, with leaders and specialized ministers of the Soviet Union's successor states all seeking to establish relations with the Hungarian Ministry for International Economic Relations in the last days of 1991. We have managed to conclude agreements on 1992 deliveries with all of them. Consequently, I hope that our eastern trade will liven up in the New Year.

In general, we expect total Hungarian exports to grow by 7 to 9 percent in 1992. This is extremely significant from the point of view of Hungary's economic and social development. Indeed, a dynamic increase in our exports will have a great stimulation effect first on our production and then on employment. Naturally, I am not saying that production and employment difficulties will disappear in 1992, particularly not in the first half of the year, but I do believe that if our export offensive is maintained, our economy could experience a dynamic boost as early as 1993. Furthermore, we expect a boom in 1994, and this should lead to an alleviation of our current employment and social problems. I believe that an explosion in our foreign economic relations is the key to our economic and social policy. Thanks to this, we can look confidently toward the near and more distant future. [passage omitted]

MDF Official on International Party Contacts

AU0201164092 Budapest NEPSZAVA in Hungarian 28 Dec 91 p 6

[Interview with Gyorgy Csoti, Hungarian Democratic Forum deputy in parliament and deputy chairman of the National Assembly Foreign Affairs Committee, by Katalin Decsi; place and date not given: "No Separate East European Platform Has Emerged"]

[Excerpts] We asked Gyorgy Csoti about the international political movements the Hungarian Democratic Forum [MDF] feels kinship with.

[Csoti] We regard, first of all, the central and center-right parties as "fraternal parties," in other words, the people's, christian-democratic, and conservative parties. Our membership in such European organizations also proves this.

I would mention first the European Democratic Union (EDU), which has Austrian Foreign Minister Alois Mock as its spiritual father and current chairman. [passage omitted]

We also actively participate in the activities of the European Union of Christian Democrats (EUCD). This group has practically the same membership as the EDU, without the British Conservatives. [passage omitted]

[Decsi] What are your relations with the similar parties in East-Central Europe?

[Csoti] We are trying to build up and strengthen our contacts with similar parties in the neighboring countries. Naturally, we are paying particular attention to movements including Hungarian national minorities, but we will not limit our activities to them exclusively.

For example, we are having an extremely useful relationship with Jan Carnogursky's Slovak Christian Democratic Movement. Unfortunately, I cannot say the same about Poland, mainly because of the embryonic domestic political situation prevailing there. We have close contacts with the Democratic Union of Hungarians in Romania [UDMR] in Romania, but we are also trying to develop and foster relations with other Romanian parties. I proposed that the EUCD accept the Romanian National Peasants' Party as a member after this party promised to refrain from repeating its anti-minority

activities conducted last summer. They kept their promise, and excluded all Vatra Romaneasca members from the party.

No real partnership relations have yet emerged in the states currently emerging on the territory of the former Soviet Union. We concentrate our attention on Russia and the Ukraine. Besides, we have already had intensive contacts with parties in the Baltic states for two years.

I visited Bulgaria last week as a member of an EDU fact-finding mission, because the Bulgarian Democratic Party and the Bulgarian Democratic Center Party requested membership in this organization. I was happy to see that the democratic development has also accelerated in Bulgaria. I saw several signs of this there.

No distinct East European platform has yet emerged among the parties, but some sort of community of interests is taking shape within the EDU and the EUCD. I do not see any reason for a separate platform because, politically, we are catching up with Europe very quickly. [passage omitted]

Antall Views Past Year, Future Developments

AU0301150892 Budapest NEPSZABADSAG in Hungarian 31 Dec 91 p 5

[Interview with Prime Minister Jozsef Antall by Miklos Breitner and Ervin Tamas; place and date not given: "We Expect Tangible Improvement in 1992"]

[Excerpts] [NEPSZABADSAG] Mr. Prime Minister! We congratulate the government for the results achieved in 1991, because the autumn was not hot, inflation remained within the planned framework, Hungary preserved its solvency, our hard currency reserves increased, Hungary succeeded in obtaining a position of associate member in the EC, and the coalition—including the Hungarian Democratic Forum [MDF] succeeded in weakening the opposition....

[Antall] Thank you for the appreciative words, but I am not that satisfied with the results. However, I can for once be praised by you, too, not only by THE WASHINGTON POST. At home we do not get adequate appreciation, and the public is not familiar enough with the government's activity, and thus our public does not appreciate it adequately, either. [passage omitted];

[NEPSZABADSAG] Hungary used to be called the happiest barracks in the Eastern camp. It is also a fact that, although we are no longer so happy, and we have also gotten rid of the aforementioned nickname, we are still regarded as one of the most stable countries in the region.

[Antall] My greatest dream came true when the Soviet troops left Hungary. The negotiations on the withdrawal of Soviet troops were much more difficult than the public thinks. At talks full of threats, the Soviets demanded $2 billion for the property left behind, precisely the amount they owe us. We also refused to sign the clause that would have limited our sovereignty when joining other organizations. The Soviet representative sat at this very table here and declared that their troops would not leave Hungary unless we signed the agreement. Those were not easy hours.... All those who advised us to compromise at that time are now quiet. [passage omitted]

[NEPSZABADSAG] According to experts, Hungary was able to preserve its solvency and increase its hard currency reserves, thanks to the adequate flow of foreign capital and aid into this country. However, the Hungarian Parliament deprives foreign investments of preferential treatment. Are we witnessing the beginning of a process of isolation?

[Antall] Neither the MDF nor the government is at all in favor of any isolation. We want to continue our previous policy, which has brought half of the total amount of foreign capital flowing into this region to Hungary. At the same time, we must be aware of the fact that the newly emerging strata of entrepreneurs in Hungary should have equal chances to become stronger. I must add here that serious and reliable investors are not put off by such equal opportunities. One thing is certain: In the long run, preferential treatment given to foreign capital could turn Hungary into a state similar to a banana republic, and we do not want that. [passage omitted]

[NEPSZABADSAG] Public affairs also includes the issue of coordination between employers, employees, and the government. Are we advancing toward a corporate decisionmaking process?

[Antall] I am against any political and institutional system that replaces parliament in the legal sense. A corporate legislative body is a fascist regime in the classic sense of the word. I hope that neither employees nor employers in Hungary want to draw the government under their own direct control. Naturally, theoretically, we cannot exclude the possibility of trade union representation in a two-chambered parliamentary system, but this is not on the agenda in Hungary today. Both employees and employers should have demands from the legislative body, and not from the government. Parliament should legislate laws that cover the economic life, including the social sphere. The recent habit of both the employees and employers regarding the government as a common enemy is a total reversal of roles. [passage omitted]

[NEPSZABADSAG] Mr. Antall! It seems that 1992 will not be an easier year than 1991, either. What is your forecast?

[Antall] There have been a lot of unpredictable events this year, in addition to the predictable developments. I think that 1992 will not spare us such developments, either. However, I hope to continue the current road of economic restructuring in 1992, too. We will have to see

to it that we do not exceed the limits of the budget deficit stipulated by the IMF. [passage omitted]

The number of unemployed will increase next year, but we expect some kind of improvement by the second half of 1992. As for foreign affairs, we would welcome an end to the war in Yugoslavia with the recognition of the individual states' independence. We would also welcome an economic stabilization in Romania. We are striving for good relations with the Ukraine, Russia, and the other newly independent republics. We are not interested in increased tension between the Czechs and Slovaks, but it is also part of an objective prognosis that the Bos river barrage will probably continue to be a delicate issue in our relations. [passage omitted]

Antall, Other Ministers Respond to Questions

LD0601080392

[Editorial Report] Budapest MTV Television Network in Hungarian at 1830 GMT on 5 January carries a 40-minute edition of "The Week" program which features a live interview with Hungarian Prime Minister Jozsef Antall, Finance Minister Mihaly Kup, and Social Welfare Minister Laszlo Surjan. The ministers answer questions sent in by viewers by telephone and by mail. After an introduction by an announcer a brief summary of the day's international news is given.

After the news the announcer lists the names and telephone numbers of viewers asking whether transformation of the system has really taken place and when former communist leaders will be dismissed.

Antall responds: "So many people are interested in this issue. My view is that political transformation of the system has taken place. It has taken place in a constitutional sense, in the creation of parliamentary government, in the self-government system, in transforming the bases of the economic structure. It is taking place continuously in the political sense, too. However, we have to take into consideration that it cannot be generalized so that every communist leader gets dismissed. Those who put this so generally and not in relation to certain people endanger the moral basis of dismissals, because then we could be accused of conducting a witchhunt.

"I believe the fact that this need is very strong in society proves our policies. It has been said many times that we dismiss people on a political basis. If these two things coexist, that there is both too little and too much, then I believe we are in the middle in a positive sense. Despite this, my belief is that this can only be carried out individually and only within the framework of a constitutional state, but it has to be carried out."

The announcer states that time constraints will require the answers to certain questions to be carried in the newspapers PESTI HIRLAP and UJ MAGYARORSZAG.

Then the announcer asks Finance Minister Kupa how much debt Hungary now has, as this government inherited a $20 billion debt from the former system, and since it has borrowed further amounts. He continues in the same vein by asking how the government has spent foreign loans and aid, and where the effects or results of this can be felt.

Kupa answers: "Several people have asked how much we have inherited, how we manage it, and what we spend it on. In 1991 Hungary began to decrease its debt because so much foreign capital has flown into Hungary. In 1992 we will not have to send Hungarian money to foreign countries. This is the first time this has happened in this country for 10 years. This is very important. Our debt is around $19.6 billion to $20 billion. I do not know the exact figure because I do not know today's exchange rates.

"As for what we spend the borrowed money on, the money received from the IMF we spend on interest payments and on increasing the country's reserves. Hungary's reserves are over $3 billion dollars. In 1989 and at the beginning of 1990 this was practically zero. So this is what we spend it on. What we receive from the World Bank we spend on telecommunications and privatization, not on consumption, very often happened before, but on laying the foundation for the development and infrastructure of the economy."

Answering further questions on the heritage from the previous government, Kupa says that exact figures will be published in the papers.

Antall then states: "It is probably worth adding, although the finance minister will have to confirm this and although he was not a member of the government at the time, that we started by inheriting an approximately $22 billion debt. It was $22 billion and not $20 billion. The other thing is that there was a $2 billion fraud, which in 1989 the National Bank asked us when we were the opposition whether we were prepared to swallow. Of course we were not prepared to swallow it. This is how it came to light that this was $22 billion. Later that week Prime Minister Miklos Nemeth announced that there was such a fraud."

Several viewers ask why Antall does not hold regular briefings where these issues could come to light. Antall says he hopes there is no such fraud any more, but he agrees that such a system could be introduced where he or other ministers speak.

In answering questions related to high inflation making a small circle rich and the majority of society poor, Kupa denies that the government generates inflation on purpose. In his view prices have to be liberated in order to switch to a market economy. He blames inflation on the bad state of the Hungarian economy in the past 10 years. Antall says an entrepreneurial circle was already developing legally in the 1980's, and the present government is doing its best to prevent people from getting rich

illegally. He stresses the positive effects of enterprises on the economy and says these are supported by the government.

Several questions are asked about the need to increase health workers' wages. In his reply, Social Welfare Minister Laszlo Surjan finds wages according to performance necessary, but does not think that in the next couple of years certain strata can advance before others. He says: "In this branch one can be optimistic about a general upswing, for this branch receives its income through social insurance, the source of which, as we know, is deduction from wages." He calls attention to the fact that financial practices should be improved in some hospitals. Measures have been taken in order that large enterprises pay social insurance regularly, which in 1992 will hopefully stop the negative trend of some of them simply not paying it.

Kupa points out that medical and financial work must be separated in hospitals. Antall adds that the essence of insurance-based medicine is that everything has to be paid for and everything can be calculated.

Many viewers and listeners voice complaints that some medicines cannot be obtained or are very expensive.

Surjan replies: "The creation of a rational price system is a very long process. However, we should not forget that the objective of these price systems is the settling of accounts and for the patients who are insured to pay directly." He says that patients will soon get insurance certificates and will be able to choose a doctor for basic care without additional payment.

In reply to a question about the Hungarian Democratic Forum [MDF]-Alliance of Free Democrats [SzDSz] pact, or why the MDF had to make this pact and how it can be evaluated after one and one-half years, Jozsef Antall says: "My opinion after one and one-half years is that it was right to make this agreement. It had to be made because in several areas a two-thirds majority legislation method had been introduced in Hungary in a one-party system. The budget is an example. If it had to be adopted by a two-thirds majority, the country would have never had a budget." He adds that without the pact a two-thirds majority would have been necessary for the making of several laws.

Antall continues: "The two-thirds majority is an absurd thing. It still exists in our country in several fields. It greatly complicates legislative work related to house rules. I could list the areas where we could not implement the abolition of the two-thirds majority idea. In England the monarchy could be abolished by 50 percent plus one vote. Therefore, it is a normal functional form of a democracy. I can say after one and one-half years that it has succeeded." He recalls the pact the MDF made in September 1989, which was a necessary compromise without which the republic would not have been proclaimed and the Hungarian Socialist Workers' Party would not have split and there would not have been a pact with the SzDSz last May.

Antall says that the significance of this pact with the SzDSz is that with the pact the country was capable to operate. The Hungarian Socialist Party and the Federation of Young Democrats were not pleased about it, for if it had not taken place then for a two-thirds majority we would have always had to get supporters from either the Federation of Young Democrats or the Hungarian Socialist Party, resulting in the tail wagging the dog. Two minor parties would have determined the way we operate. He says he has to add that we informed the other political parties about the pact on the night it was made. The pact came into force after that. We agreed on the president of the republic, by the way we proposed that Arpad Goncz be president. Further, we agreed on the speaker. These were the personnel agreements. In the other agreements we defined the sphere where a two-thirds majority would remain and where it would be abolished. That is why the country is functioning."

Antall then refutes a question on whether there is an auxiliary agreement in the pact regarding the press.

The announcer reports that viewers have asked questions about the Independent Smallholders' Party [FKgP], including whether the situation in the FKgP endangers the existence of the coalition, and what hope there is for a solution. Minister Surjan is asked to respond as party chairman of the Christian Democratic People's Party [KDNP].

Surjan says: "In my view the Smallholders' Party will think the same way in the future as it has done before. It has set off on a path of taking part in the coalition. Running away from this would cause a lot greater harm for the party than breaking out in a positive direction. We spoke a lot at the coalition talks that began in November that cooperation has to be improved. This is the definite wish of the KDNP as well. Forms of cooperation have to be created. If someone complains or searches for improvement, it is a very positive step. The fact that internal problems have appeared within the FKgP in the meantime is very unfortunate. This has contributed to the fact that the talks have broken off. I believe, however, that they will soon overcome this and then the whole coalition will make progress."

Antall adds: "I would like to stress that there is one Independent Smallholders' Party and one parliamentary faction. There is one of both in a legal sense. The problem is now that there are difficulties within the FKgP as a political party and there are differences of opinion within the parliamentary faction, but we consider this one coalition partner in a legal and political sense until a different legal and political situation occurs. The voting on the budget shows that Chairman Jozsef Torgyan and former minister Jenoe Gerbovics voted against the budget, but all the deputies voted for it. This is an over-dramatized issue. These three parties are united by serious ideological, political, and international relations. I can say that if a political party quit the

coalition it would break with its own European and international party allies, for these three political parties are expected to cooperate."

Antall recalls the elections, where the parties believed that the first government would have to do the "dirty work," so certain parties wanted to stay out of the government. However, the present government was not lead by party political interests; those involved knew the work had to be done.

Antall states: "The Hungarian Democratic Forum's does not endeavor to swallow the coalition partners cooperating with us, or wish to reduce them. This is simply the greatest lie. This is an untrue statement. Common sense is enough for one to see clearly that in today's Hungarian political situation where traditions still count, it would cover a much wider stratum of public opinion and the electorates if the KDNP, the FKgP, and the MDF operate as separate political parties cooperating with each other, than if they merged." Antall continues: "There would be an expected vacant place. There would be an empty saddle to which certain people would want to climb into right away. They would already be hanging from the stirrups. There are already such applicants."

Several questions focused on the budget debate and the circumstances surrounding the passing of the budget law. Kupa explains the usual procedure followed internationally, as Hungarian people do not understand the way parliamentary democracy works. He says Hungary can not be compared to 100-year-old democracies.

Kupa says: "The situation here changes every moment. I would like to say that by the time they began to discuss the budget, we had submitted it at the end of November, two tiny things happened, we became associate members of the EC and the Soviet Union ceased to exist. It is not a situation where the deputies sit peacefully and wait for the budget. Property relations are constantly changing, as is the international situation. In any case we have learned that we must not enter into a situation where the budget has to be submitted in four parts as the law last year said, thank God. This year it does not say such a thing. We also learned how to cooperate much more with parliament, including government party factions as well, in the discussion of such important laws."

Another news roundup follows, after which the announcer reads contradicting statements by viewers, some saying that the government should resign, others praising Antall for his hard work.

Antall comments: "There is no time to give a lengthy speech on this. I should probably speak about this another time. In any case, I am not considering resignation of the government. This was already raised by Viktor Orban in parliament in connection with the budget debate." Antall then explains the legal procedures for submitting a no confidence motion.

He continues: "In a political sense, the government's intention to resign is not even raised. I would like to make viewers realize—and I can say this with confidence—that almost every member of the government can say that if they were not members of the government they could earn more money. There is no financial motivation here, but a decided political aim according to which we carry out this transformation."

Antall says the government cannot resign whenever a difficulty arises. He considers it a feature of democracy that viewers could write such statements and ask such questions.

The announcer thanks the studio guests for taking part in the program and the viewers for their questions.

Minister Botos Discusses New Bank Committee

AU0301135592 Budapest MAGYAR NEMZET in Hungarian 2 Jan 92 p 9

[Interview with Katalin Botos, minister without portfolio, by Laszlo Gergely; place and date not given: "The Bank Minister Builds the Middle Classes"]

[Excerpts] We can say that the law [on financial institutions] created a new body to lead the banking profession. According to the laws on financial institutions, a nine-member committee is to be appointed in addition to the National Bank Supervision Directorate [Bankfelugyelet], and its chairman is to be an appointed member of the government. The chairman of the central bank, the finance minister, and the two professional interest representation organizations of financial institutions delegate one member each, and the prime minister appoints three independent experts. The ninth member is the chairman or the deputy chairman of the Bank Supervision Directorate. The first decision has already been made as the prime minister appointed Katalin Botos to head the committee. This is a good occasion to interview the minister who played an important role in the preparation of the bill on financial institutions on her plans in her new position of implementing the law. [passage omitted]

[Gergely] Will the committee that you head function as a professional organization?

[Botos] Yes, because this body only consists of experts. It is true that appointment is the right of the prime minister. However, according to the law, the six professionals make the recommendations and offer the choice. [passage omitted]

[Gergely] Is the bank minister the "manager" of banks or customers?

[Botos] In my opinion, I am responsible for all Hungarian citizens. In addition to people with a certain amount of savings, I also include people for whom the financial institutions provide certain transfers and other financial services. This is why I believe that the regulations have to lay the foundations for the decent operation of financial institutions to strengthen the trust of the

population in these establishments. Efficiently functioning banks are in the basic interest of citizens! A healthy competition in banking, lower interest rates and, therefore, lower service prices are good for all of us, and these can eventually contribute to an upswing in the economy.

[Gergely] Does this mean that—in contrast to the leaders of other ministries—you are responsible for a broader stratum of society, rather than certain groups only?

[Botos] On the one hand, I have to work for each citizen who has as little as a transfer account in the bank, and on the other hand, I have to work for a concrete—hopefully expanding—group, namely the birth of the middle class. I know, however, that presently there is only a small supporting group both in Parliament and in society because it is currently emerging. [passage omitted]

[Gergely] Do semi-market conditions apply to the banks?

[Botos] Naturally, particularly because the regulation of this area was brought forward, providing an opportunity for financial institutions to imitate a market while the necessary conditions were missing in other areas. Through their interest policy, banks participated in the economy as if a real market existed there. However, because of the lack of real owners, companies were left unaffected and, unfortunately accumulated debts. This was not properly banned by the banking regulations and fiscal authorities were uninterested in the source of their income, whether they collected the profits of companies or banks. [passage omitted]

[Gergely] It might not be a coincidence that banks consider 1991 their last good year. In 1992, their profits will not be similar in size to 1991.

[Botos] We should not decide whether or not a year is good on the basis of one indicator. If the provision of capital in banks improves and the price of their shares increases then that is a positive sign. Shareholders naturally want to see profits but not in one year only.... We have to be aware that the directors of banks are responsible for their decision with their property. If the state that has a 25-percent share in a bank wants to force an irrational decision on the bank, then this idea is unlikely to be approved. The law includes the privatization of banks within a few years. It will become increasingly difficult to give orders to banks on the basis of ownership. Strict regulations are here to serve the long-term interests of owners and the better service of customers.

Skubiszewski Says Lithuanian Treaty Initialled

LD0501045292 Warsaw TVP Television Network in Polish 1830 GMT 4 Jan 92

[No video available]

[Text] Minister of Foreign Affairs Krzysztof Skubiszewski, has announced that the Polish-Lithuanian declaration on friendly relations and good-neighborly cooperation has been initialled in Vilnius. According to the minister, the present text is better than the original declaration from the middle of last year. It gives the Poles in Lithuania broad powers. The declaration also contains an essential clause about the prevention against all actions that could change relations between nationalities within a given area.

[Begin recording] [Unidentified reporter] Many disquieting signals concerning the situation of Poles in Lithuania are reaching us from Vilnius. Deputies from the Sejm Liaison Commission with Poles Abroad and the Sejm Foreign Affairs Commission discussed this matter. Will the fact that the declaration has been signed create hope that Polish-Lithuanian relations will improve?

[Skubiszewski] We must sign the declaration. Only then can we have a base and make demands based on this foundation. Please do not forget that we have for a long time been concerned with the interests of Poles in Lithuania. We are demanding that international standards be observed in relation to them. I had an opportunity to discuss these subjects both with our Lithuanian partners and with ministers of other states, who expressed concern that various international standards in Lithuania in relations to Poles had been infringed. We are closely monitoring these matters. [end recording]

Walesa Spokesman on Kolodziejczyk Retirement

LD0301221692 Warsaw Radio Warszawa Network in Polish 1800 GMT 3 Jan 92

[Text] This is what Andrzej Drzycimski, the president's press spokesman, told our reporter on the subject of Vice-Admiral Piotr Kolodziejczyk, former minister of national defense, being dropped from the active list:

[Begin Drzycimski recording] The [word indistinct] Sejm decided, probably in July last year, that the minister of national defense is to be a civilian. In other words, it was obvious in a natural way that Vice-Admiral Kolodziejczyk, former minister of national defense, is in situ only until the new government comes into being. And that indeed happened. This took place when lawyer Jan Olszewski started to establish a government and it was envisaged that in this new government the civilian minister will be a civilian [as heard]. And why this recall? This is not such a surprise.

On the other hand, the way in which this was carried out is a completely different matter. A matter that is as basic, as fundamental as adherance to certain rules that are in force in our legal system—albeit full of holes, they are nonetheless in force—that is the first thing. And the second, for instance, is exceptionally important—it is also necessary to remember that Vice-Admiral Piotr Kolodziejczyk is one of the highest ranking officers in the Polish Army when the method through which he was retired to civilian life arouses fundamental reservations here. The president stressed many times that he wants to make use of the ability and knowledge of Vice-Admiral Piotr Kolodziejczyk and he continues to maintain this. When he returns to Warsaw after the weekend he will be dealing more closely with this matter, and wants to get to know the stances of the various persons and sides that are interested in this matter. [end recording]

Olszewski on Prices, Kolodziejczyk Retirement

LD0301215792 Warsaw Radio Warszawa Network in Polish 1800 GMT 3 Jan 92

[Text] Premier Jan Olszewski devoted half an hour of his time to an afternoon meeting with journalists. He decided to hold this meeting because two issues connected to his government's work have aroused controversy. These two matters are - as it happens - of a varying importance. The first concerns the rise in the price of gas, electricity, heating, and hot water; and the second is the retirement of Vice-Admiral Piotr Kolodziejczyk, former minister of national defense.

The prime minister began with this second matter. Let us listen:

[Begin Olszewski recording] I must say that the decision of Mr. Jan Parys, the first civilian minister of national defence, regarding the retirement of Vice-Admiral Piotr Kolodziejczyk, had my full consent. I believe that, in view of the publicity this matter has aroused, I have a duty to explain to the publicn, with your help, the motives behind the stand I took. With the removal of Vice-Admiral Piotr Kolodziejczyk from the post of minister of national defense he became the only military man of such high rank for whom, among the posts available in the army, there was nothing suitable to his senior army rank. As minister of national defense he held a post which corresponded to the rank of marshal. Once he left this post, finding another suitably high post proved to be impossible. Our army, as I am sure you know, ladies and gentlemen, is mainly a land army. Thus, making use of Admiral Piotr Kolodziejczyk's qualifications was, to say the least, difficult although I must admit that he held qualifications which were not exclusively linked to the navy. Apart from the Naval Colleges of Poland and the Soviet Union, he also graduated from the Military Academy named after Kliment Voroshilov in Moscow, which did not, I have to admit, have the character of a naval college. In line with these qualifications, since 1989 he filled the post— which was called by the then heads of the Ministry of National Defense—head of the Political Administration of the

Polish Army. From this post he was appointed by the Sejm in its 10th term of office to the post of minister of national defense.

Bearing in mind the vice-admiral's qualifications, I consider the motion and decision of the present minister of national defense to make possible use of this person at a later date outside the army as correct and I therefore asked the minister to convey the appropriate proposals. I know that these proposals were not accepted and the person in question decided to appeal, as is provided by the law, against the decision.

The next matter is one which is immeasurably more important. During the past 24 hours, I have received many messages in which various workers' groups protest against the introduction of price rises. I am not able at this moment to say whether this decision regarding price rises, made by the previous Council of Ministers on 21 December—that is fully two days before the appointment of the government which I lead—was or was made in consultation with the trade unions in accordance with legal regulations. According to what I hear from trade union representatives, they say that no such consultations took place.

Minister Boni, as you know, ladies and gentlemen, conveyed the opposite information. However, regardless of whether the regulations stipulated by law were or were not contravened, this decision has been made, has become fact, and had to be introduced because it is an inseparable element of the budget provisions prepared by the previous government which, despite the fact that it have not yet been approved by the Sejm, is in force since yesterday, applying to the work of the whole state apparatus, and is the basis of all state expenditure. An attempt to set aside this decision would create such a lacuna in the budget provisions which—given the lack of other sources of income which might be used to substitute the sums spent on subsidising gas, electricity, hot water—would bring about consequences the results of which would be impossible to foresee. That is why the Council of Ministers found itself under pressure: The decision could not be withdrawn by us and had to be implemented.

I believe—and I am basing this assessment on the monitored reaction, the reaction of society, the reaction of numerous workers circles—I believe that public opinion is not sufficiently aware of the true position of public finances at this moment in time. The state budget for 1991 is, as is well known, ending with a gigantic deficit. At the same time, it is at this time impossible to establish the final scale of this deficit, because we do not know all the outstanding payments in this budget which have not yet been settled and will have to be settled during the coming year—of course out of the present budget. In this situation a lacuna of these dimensions in the budget provisions prepared by the previous government—one which would arise as a result of the nonintroduction or the withdrawal of this decision, would, quite simply, completely disorganize not only the state finances but also the economic life of the country.

That is why, with great regret and aware that if time had permitted this other solutions would have been sought, less painful to society, the Council of Ministers had to agree to give its authorization to this previously announced decision. [end recording]

Olszewski Focuses on Economic Recovery

LD0301215292 Warsaw PAP in English 1611 GMT 3 Jan 92

[Text] Warsaw, Jan. 3—According to Prime Minister Jan Olszewski the most important tasks for his government are defined by the dramatic state of the national economy and therefore the government's fundamental programme is one of its recovery. In an interview for the latest issue of the weekly SPOTKANIA Olszewski said this programme would envisage the maintenance of a relative budget equilibrium and controlled inflation. It would be also indispensable to create mechanisms that would help get the economy out of recession and boost development, he said. This should be a gradual process because a hasty turn might stimulate inflation, something that should be avoided at any cost, Olszewski cautioned. Hence, the main problem is to embark on such a course of the economic policy that would combine those two aims, he declared. In the opinion of the prime minister the suspension by the International Monetary Fund (IMF) and the World Bank of financing the Polish economy took place "as a result of pursuing the to-date economic policy." He termed the letters of intent of 1991 and indices defined in them as "unrealistic from the very beginning."

"It is necessary to present the Polish economy in a business-like manner, come back to reality and renegotiate these accords," Olszewski declared in the interview. Asked about the most favourable pace of reforms Olszewski opined that it will be the society that would decide about it. However, he admitted that "the first estimates of the pace of changes that the society would accept have proved too optimistic."

Prime Minister Meets Strike Delegation

LD0401013892 Warsaw PAP in English 2250 GMT 3 Jan 92

[Text] Warsaw, Jan. 3—Premier Jan Olszewski, meeting with a delegation of the Sendzimir Steelworks Friday, appealed for the suspension of the 12-day old hunger strike held by 12 metallurgists protesting against the tragic financial situation of the plant.

Premier Olszewski told delegation members that there are plans to introduce a recovery programme which is to be worked out during the next two months.

Chairman of the Sendzimir shop-level Solidarity-80 Commission, organizer of the strike, Mieczyslaw Kucharski, said after the meeting that the strikers will

decide whether to continue or suspend the strike after being acquainted with today's results of talks with the premier.

Friday was also another day of protests against the rise of energy prices announced by the government earlier this week.

The All-Poland Alliance of Trade Unions (OPZZ) demanded from the government the withdrawal of its decision increasing prices for energy, gas, and heating within the next ten days. OPZZ said that if its request is not met, it will call on its organizations and union members to stage a national warning strike on January 16.

Solidarity's Mazowsze Chapter on Friday demanded the suspension of the price hikes and called for complex talks on economic and social problems between government and union representatives. The chapter called on Solidarity's national commission to undertake statutory steps "including a general strike," it was stated in a communique issued by the Mazowsze Chapter on Friday.

Olszewski Addresses Sejm on Budget

LD0401115192 Warsaw Radio Warszawa Network in Polish 0809 GMT 4 Jan 92

[Address by Prime Minister Jan Olszewski to the Sejm in Warsaw—live]

[Text] Mister Speaker, may it please the House. A document, which I, together with my government, am to recommend to the House has been described by a prominent economist in the press as awful. I have to say that I do not see too much exaggeration in the term. Indeed, if year by year a state's income has to be reduced by nearly half, and expenditures by one-third, it is a shock of great significance to the state organism and to the entire society. That is how the prepared provisional budget looks. Whose work is it? Is it a farewell message from the previous government or is it an introduction by the current government, the new one? I think that here and at this moment a debate on this subject would be a waste of time in the face of the existing situation.

I know, that in this way I deprive myself and my government of very important and politically favorable argument. But here and now neither propaganda purposes nor arguing over moral purity and moral superiority, nor reasons of prestige, are at issue. At issue are basic and elementary affairs of the state and of our economy.

Who has been responsible for the draft provisional budget? One has to distinguish various aspects of responsibility. One can talk about moral responsibility, political responsibility, or legal responsibility. I am not going to embark upon these subtleties. I would like to draw attention to obvious facts. The new government has had no time to prepare its own draft budget. This fact and this assumption was somehow adopted and included in the election timetable passed by the previous Sejm. It transpires from the fact that the election date set for 27 October 1991 had itself created the situation, in which the government, elected by the new parliament, did not and could not have time to put forward its own budget law.

It was fated beforehand to work in the first quarter of 1992 basing on drafts, on a provisional budget prepared by the previous government. This is an obvious matter. But the draft has to be presented to the House now, by the present government, which currently, at this moment, bears responsibility for state affairs. And it is from this duty, from this responsibility that we have to take, and we also are taking the responsibility, to present to the House the document worked out by the previous government. The state's affairs must go forward. Of course, a question can be asked and has been asked already whether such a draft of such financial and social consequences can be a rational and efficient base for the functioning of the state during the first three months of 1992. Already the first effects of this act are coming into force, as the provisional budget has been in force, the first effects in the shape of necessary price rises for electricity, gas, and heating have caused a great wave of protests. Resolutions have been made announcing strike actions on a national scale.

Is it, therefore, the practical act? I have to give the following answer to that. I cannot guarantee reliability of all, both analytical and prognostic, premises of the provisional arrangement. The work on it was carried out when this government did not exist. A period of time between the moment we could familiarize ourselves with it and the need to present it to the Sejm was too short for a sufficient and profound analysis. However, on the ground of the general knowledge of the economic situation and the financial situation of the state, I have to say that this is the document that seems to be appropriate under Poland's current economic situation. We, as the state, can afford only that much. If we think that this is not enough, we have to indicate the sources of additional income, which would cover extra expenditures.

At this moment we cannot indicate such additional sources. If, in the course of the work on this budget, such constructive proposals were to come from the esteemed chamber, from the Sejm commssions, then the government—if, of course, they are realistic proposals; if they are proposals indicating in every case realistic sources to cover the cost of the planned expenditure—[the government] will not only be open to them, but will be happy that they will be able to be considered in practice.

I realize that the social consequences of all the cutbacks resulting from the provisional budget are not only very painful, but may also be—at a given moment and in a given set of circumstances—a threat to social stability. The government has no means apart from words, apart from arguments, apart from dialogue, with which to oppose these threats—and if it had such means, if it had

them at its disposal, this government will not use the argument of force with its own society; I would like this to be clear.

We want to appeal to that political capital, which has always been the last reserve in Poland, the last reserve of the strength of that nation. We want to appeal to civic responsibility. If demands are put forward for the withdrawal of certain painful measures—certainly very painful for various social groups—for a general withdrawal, then these are steps which aim at destabilizing the entire economy, even if they are taken in the best faith. The people who take these steps must be prepared therefore to take upon themselves the responsibility for the course of events in this country and they must have that sense of responsibility.

At this very difficult moment for me personally, for my government—and I know it is also very difficult for you, Deputies, for it is very difficult for the whole country as well—I declare that I accept full political responsibility for the proposed provisional budget bill. If you pass it, the government will be bound to accept full legal responsibility as well.

Finance Minister Urges Sejm To Approve Budget

LD0301214892 Warsaw PAP in English 1624 GMT 3 Jan 92

[Text] Warsaw, Jan. 3—Finance Minister Karol Lutkowski asked the Sejm (lower house) Friday to approve, despite grave reservations, the provisional budget for the first quarter of 1992 and a package of related bills, prepared by the previous government of Premier Jan Krzysztof Bielecki. The provisional budget envisages incomes amounting to 68.5 trillion zlotys, spendings reaching 86.1 trillion zlotys and consequently a deficit of 17.6 trillion zlotys (about 1.6 billion dollars), Minister Lutkowski announced stating that the dramatic economic situation of the country left little room for manouvre and made it impossible to introduce any changes in the submitted draft laws regulating the state's monetary policy and tax issues. "Without these laws Poland may be threatened with hyperinflation," the minister stressed. He also emphasized that any further growth of budget deficit meant a catastrophe and underlined that the Finance Ministry and the National Bank of Poland (NBP) must show responsibility for the stability of Polish currency. "We must not waste all that has been attained at such a great cost," Lutkowski said announcing that his Ministry would work on a plan of curbing inflation without stifling the economy.

Sejm Deputies Criticize Proposed Budget

LD0401221992 Warsaw PAP in English 2000 GMT 4 Jan 92

[Text] Warsaw, Jan. 4—Most parliament members who took part in today's debate over the provisional budget criticized it as unrealistic. They found the budgeted revenues, expected inflation, and deficit highly inadequate. Deputy Andrzej Wielowieyski (Democratic Union) recalled that a similar situation had occurred a year ago when the parliament accepted last year's budget knowing it would not hold. "This may be dangerous," he warned.

The Peasant Alliance (PL) decided with sorrow to support this "hopeless" budget just to give a chance to Prime Minister Jan Olszewski.

The deputies stressed that the lack of a clear government programme for the whole year or at least for the coming months suspends budgeting in the void.

Deputy Marek Borowski of the Democratic Left Alliance called on the house to "break away with the vicious circle of myths imposed by the previous cabinet," and realize that greater budgetary deficit and money influx do not necessarily mean hyperinflation.

After the dispute the Sejm resolved to send the provisional budget for the first quarter of this year to the respective Sejm committees for further analysis after which, Deputy Bronislaw Geremek expects it to be adopted by the Sejm at its meeting January 16-18.

Question Price Increases

LD0301150192 Warsaw PAP in English 1359 GMT 3 Jan 92

[Text] Warsaw, Jan. 3—At its two-day meeting which started Friday the parliament decided to supplement its agenda with information, to be presented by the government, on recent rises of energy prices, the way of their introduction and impact on the population.

The parliament was acquainted with two drafts concerning the procedure under which the Constitution should be adopted, presented by the Christian National Union (ZCHN) and the Democratic Union (UD). Both parties want the new Constitution to be prepared and adopted by the National Assembly consisting of both houses of parliament, then signed by the president.

Differences of opinion emerged when the number of votes neccessary for passing the draft was discussed, with propoosals suggesting either absolute or simple majority.

Deputy Alexander Iuczak, the Polish Peasant Party (PSL), presented a draft resolution concerning the appointment of a constitutional committee.

The first reading of the provisional budget for the first quarter of 1992 will also take place during this sitting of the Sejm.

But I understand that the question by Deputy Frasyniuk addressed yesterday to the government and also to me personally, had, I believe, a deeper implied meaning. When Mr. Frasyniuk asked whether I accept full, 100-percent responsibility for this provisional budget and for consequences arising from it, and when he expressed concern whether the responsibility would not dissipate

between the former government and this parliament, I must say that I do not quite understand the meaning of the question. What kind of responsibility is concerned? If the political responsibility is concerned by presenting the provisional budget to the House in its own name, this government obviously accepts full political responsibility. As regards legal responsibility, if the House will accept and pass the draft, the legal responsibility for its implementation will automatically rest with the government. This is clear. If, however, Deputy Frasyniuk expected the government and the prime minister to state that this line of economic policy, which led to the necessity of submitting such a budget for the first quarter of 1992 as the presented provisional budget, is to be affirmed wholly and without reservations by this government and adopted as its own, and is to be [word indistinct] by the prime minister of this government, then Deputy Frasyniuk should not expect an affirmative answer.

No: We will not accept [word indistinct] this line, this way of behaving. We cannot put the our seal of approval on a practice, which, for more than a year if not longer, shut its eyes to the obviously increasing negative phenomena, in the economy and in the budget. This document should not be a surprise to anyone interested in economic policy affairs in the course of 1991. If it is a surprise to a large social group, it only goes to show how far a certain kind of propaganda hides the true, realistic premises of economic life. [applause]

We will not practice such propaganda, because in the final reckoning, it is always harmful for the economy, and for the state and even for those, who practice it in their own interest.

May it please the House! With a heavy heart, but with a full sense of responsibility, I must ask the House to adopt this provisional budget and the package of legislation linked with it. I must recommend it. As I say, the government will be open to all realistic proposals. If they are realistic, it will regard them as an important, significant help to it. I would urge the House to study this bill carefully and thoroughly; but at the same time, I would like to point out that we all bear responsibility for this state's stability and elementary economic stability. We cannot and must not take a step which would undermine those values. There is a limit to our possibilities and neither my government nor I will in any case exceed that limit. If we face such a necessity, then we will give way rather than take on ourselves the responsibility for the obvious destabilization of the present, already very fragile, economic and social stability of this country. Thank you very much.

Is it, therefore, the practical act? I have to give the following answer to that. I cannot guarantee reliability of all, both analytical and prognostic, premises of the provisional arrangement. The work on it was carried out when this government did not exist. A period of time between the moment we could familiarize ourselves with it and the need to present it to the Sejm was too short for a sufficient and profound analysis. However, on the ground of the general knowledge of the economic situation and the financial situation of the state, I have to say that this is the document that seems to be appropriate under Poland's current economic situation. We, as the state, can afford only that much. If we think that this is not enough, we have to indicate the sources of additional income, which would cover extra expenditures.

At this moment we cannot indicate such additional sources. If, in the course of the work on this budget, such constructive proposals were to come from the esteemed chamber, from the Sejm commssions, then the government—if, of course, they are realistic proposals; if they are proposals indicating in every case realistic sources to cover the cost of the planned expenditure—[the government] will not only be open to them, but will be happy that they will be able to be considered in practice.

I realize that the social consequences of all the cutbacks resulting from the provisional budget are not only very painful, but may also be—at a given moment and in a given set of circumstances—a threat to social stability. The government has no means apart from words, apart from arguments, apart from dialogue, with which to oppose these threats—and if it had such means, if it had them at its disposal, this government will not use the argument of force with its own society; I would like this to be clear.

We want to appeal to that political capital, which has always been the last reserve in Poland, the last reserve of the strength of that nation. We want to appeal to civic responsibility. If demands are put forward for the withdrawal of certain painful measures—certainly very painful for various social groups—for a general withdrawal, then these are steps which aim at destabilizing the entire economy, even if they are taken in the best faith. The people who take these steps must be prepared therefore to take upon themselves the responsibility for the course of events in this country and they must have that sense of responsibility.

At this very difficult moment for me personally, for my government—and I know it is also very difficult for you, Deputies, for it is very difficult for the whole country as well—I declare that I accept full political responsibility for the proposed provisional budget bill. If you pass it, the government will be bound to accept full legal responsibility as well.

Lutkowski Says Zloty Exchange Rate Not To Change

LD0401221592 Warsaw PAP in English 1914 GMT 4 Jan 92

[Text] Warsaw, Jan. 4—Finance Minister Karol Lutkowski reassured MPs [members of parliament] on Saturday that there will be no change in the rate of the zloty against Western currencies. The minister said that the policy of "a slowly creeping exchange rate" would be

continued. The stability of the zloty was at stake and a relatively stable rate was a prop for the financial system.

The stimulation of export through manipulating the exchange rate of the zloty, although desired by exporters, would be dangerous for the whole financial system, stressed Lutkowski.

Chrzanowski Discusses Sejm Speaker's Role

AU0301140292 Warsaw SZTANDAR MLODYCH in Polish 30 Dec 91-1 Jan 92 p 3

[Interview with Professor Wieslaw Chrzanowski, Sejm speaker and leader of the Christian-National Union, by Robert Walenciak; place and date not given: "I Am Not Saying That I Will Be Outstanding"]

[Excerpts] [Walenciak] Some deputies, both on the right and the left, believe that Walesa intends to markedly curtail the Sejm's role. Do you agree with them?

[Chrzanowski] I see things this way: There should be clear divisions between the legislature, the executive, and the judiciary. I fear that opting for some superliberal democratic liberal system of the kind that was being talked about at one time would lead to authoritarianism. Aristotle observed that ochlocracy leads to tyranny. I would like democracy to be lasting and the state to be efficient. [passage omitted]

[Walenciak] What is currently happening on the Polish political scene creates the worst possible impression. Watching Polish politicians, one feels that all their maneuvering is a game in which mutual likes (which are very changeable) and dislikes and the hope of obtaining some good sinecure play a key role. Principles, on the other hand, are left aside.

[Chrzanowski] The point is that people still do not understand that a certain degree of loyalty pays in the long run, if only because people are noticed later. From my court experience, I know how judges often treat lawyers. They were careful with some lawyers, because although the lawyers were able, the judges thought they could be tricked by them. Then there were lawyers who could practically determine what the court would decide, because the judges knew that they were people who would not be involved in something dishonest, that they would not try "to dupe" them. However, having said that, I am not trying to suggest that principles should be observed out of cynicism. [passage omitted]

[Walenciak] Concerning the role of the marshal as an arbiter. Some politicians have openly voiced fears that as you belong to a party with a clear-cut, unambiguous profile, you will be unable to stand above the divisions in the Sejm. Do you intend to stop leading the Christian-National Union while in office?

[Chrzanowski] No, and second, Poland's outstanding Sejm marshals—I am not saying that I will be outstanding, but they do set an example for me—were Trampczynski, Rataj, and Daszynski, and they were all leading political figures in their parties. A marshal does not have to be nonpartisan: What he must do is observe certain procedures, and I believe that someone from a party such as the Christian-National Union, which is faithful to certain values, which believes that there are principles that are more important than short-term interests should guarantee that the institution of Sejm marshal will function properly. Contrary to the views held in certain quarters, ambiguity and objectivity are not linked in any way. [passage omitted]

Prime Minister Discusses Relations With Hungary

LD0401032692 Budapest Kossuth Radio Network in Hungarian 1730 GMT 3 Jan 92

[Interview with Prime Minister Theodor Stolojan by reporter Jozsef Orosz in Bucharest; date not given—recorded; Stolojan speaks in Romanian with superimposed Hungarian translation]

[Text] In Romania, the opposition parties, including the Democratic Association of Hungarians in Romania [RMDSZ—UDMR in Romanian], would like the government to guarantee clean elections during the approaching local authority elections. They visited Prime Minister Theodor Stolojan to discuss this. The role of the opposition was also discussed in the interview that Jozsef Orosz had recently in Bucharest with the Romanian prime minister. Naturally, the main subject was how Hungarian-Romanian relations are developing.

[Orosz] Mr. Prime Minister, do you agree that Romanian-Hungarian relations have again sunk to a low, compared to the Gyula Horn style of visit to Bucharest two years ago?

[Stolojan] I agree that our relations are not at a level that is desirable between two neighboring countries. By this, I mean relations overall, both political and cultural. The tensions between the two countries, in practice, are not based on genuine contradictions. The causes can be explained primarily by an insufficient knowledge of the facts. Whatever happens, things are immediately blown out of proportion so much that it has an impact on the two countries' relationship. The two countries' relationship cannot be called natural.

[Orosz] Mr. Stolojan, when you say that an inadequate knowledge of the facts leads to Hungarian-Romanian relations being in a crisis situation, I think you mean that it is precisely the misconstruing or falsification of facts that leads to the bad relations. In the lower house of the Romanian Parliament, a deputy from Constanca compared Lajos Kossuth [leader of 1848 Hungarian War of Independence] to Goebbels. It was considered important to interrupt the broadcast of Romanian television to relay this interpellation live, as was the case with the parliamentary debate on the Harghita-Covasna report regarding the collective guilt of those of Magyar nationality. This reminds me of the passions in Romania two years ago. It indicates that the image of Hungarians as the enemy lives on in your country to varying degrees.

[Stolojan] I do not agree with you. Extreme views will exist until people have a clear picture of the two countries' relationship. At such times, it is natural for imaginations to soar. Why? Because we have a history. Romanians have learned that they must be extremely foresighted in the event such issues arise, because we have also learned that when we face such problems, they have ended badly for us and for the country.

The sole thing that could alleviate the relations between Romania and Hungary would be our concluding a state treaty. On this basis, we can calm down emotions. This will lead to a point where qualifications, for which you provided examples, will disappear. True, I must say that I cannot prevent a deputy from saying what he wishes in Parliament, just like you probably are unable to prevent this in Hungary.

[Orosz] Mr. Prime Minister, before I or your fellow countrymen am accused of exaggerated imagination, I want to recall the fact that statements on outstanding personalities of Romanian history, as I mentioned earlier, have not been made in the Hungarian parliament.

Obviously, you will also describe my next question as fantasy. I ask: When will the Romanian Government keep its promise of two years ago for a Hungarian consulate to open in Cluj?

[Stolojan] It is extremely easy to solve this problem. We must clarify the principled differences of view between the two countries, which are absolutely necessary for relations to come to a point of rest. I reiterate that only an interstate agreement can constitute a solution.

[Orosz] Mr. Stolojan, I ask that we speak specifically about the draft interstate treaty. In the preamble to the agreement proposed by the Hungarians, it is said that both countries respect the Paris Charter and the Helsinki Agreement on the inviolability of borders. In comparison, the Romanian stance does not budge from the position that the treaty should declare, in a separate article, that Hungary has no territorial demands vis-a-vis Romania.

[Stolojan] It should be part of the treaty, if it is as you say.

[Orosz] But why is it necessary to deny what no one has ever stated?

[Stolojan] If this article does not become part of the treaty, things will continue to remain as they have been to date. History teaches us that this entire set of issues is not clear. I can quote the Romanian deputy who said: The creation of a Hungarian consulate in Cluj would be the seed of a future Hungarian embassy. It follows from this that anything can happen. Until these things are clarified, everyone will improvise.

Unfortunately, we have not found a common front for facing up to the difficulties that await us, in spite of the fact that Hungary is a step ahead in the transition. The source of these tensions, in my view, is not in Hungary. I believe that we have already set off on the right path, because the exchange of draft agreements has begun.

[Orosz] Mr. Prime Minister, I believe you are caught in a vice. On the one hand, you admit that the source of the difference of views between the two countries is in Romania. On the other hand—at least this is my interpretation on the basis of your replies—you are not in a situation so that you, personally, can find a solution to

the problems during your term in office. Is this so because your appointment as prime minister is the result of a long and bloody political play? I understand precisely why the people of Bucharest write on all of the walls: Down with the Securitate, Down with Iliescu! The secret service falls under the direction of the state president. It is not obligated to report or give an account to Parliament.

[Stolojan] It is not easy to reply to this. It is only two years ago that we set off on the path of transition. During this time, the individuals who compromised themselves disappeared. The other aspect of the issue is that there still are no clearly formed concepts. Someone ought to think about this. Someone ought to work out a draft law so that he can submit it to Parliament. In connection with the secret service, my comment is that half or three-quarters of the staff of the intelligence office have been replaced.

A decisive proportion of the population agrees that it is necessary to introduce a market economy and democracy in this country. There is one thing for which we must watch: What can the population bear? The other thing is the price of the transition. Naturally, the danger of slipping up threatens all sides, as you mentioned.

[Orosz] Let us hypothesize a change might occur. There is no problem. Another government comes in, people realize that the problems remain the same, and there is no escape from what must be done, nor is there escape from the economic laws.

[Stolojan] After my government was formed, the sole lesson we could draw was that it is necessary for us to proceed as quickly as possible on the path of reform. We must not slow down, as some hoped. It is conceivable that after the general elections in April, a perhaps less resolved government, a combination of parliamentary parties, will be formed. This would mean nothing other than a prolongation of the transition. They must be clearly aware that if they slow the pace, they will only prolong the chaos and the suffering.

I know that I will be criticized for the measures I take. In truth, everyone will thank me for having taken these measures.

[Orosz] Mr. Stolojan, you have announced well in advance that you will not run in the April elections, because you do not want anything of what follows afterwards. However, do you not fear that you will enter history as a marionette, called a politician, in the current power constellation of Romanian transition?

[Stolojan] Life sometimes arranges things so that one only stands and is surprised. That is why I tell you again: It is possible that we will be unable to agree on the Romanian-Hungarian interstate agreement. The nature of the agreement is all the same. However, we must come to agreement so that we reassure people.

Stolojan Comments on Election Goals, Financing

AU0301213692 Bucharest ROMPRES in English 1744 GMT 3 Jan 91

[Text] Bucharest, ROMPRES, 3/1/1992—Friday, January 3, Romania's Prime Minister Theodor Stolojan stated to the press after a talk with some of the leaders of parties in the democratic convention that the government's political target was to ensure free and fair local and general elections. He stressed it was fundamental for Romania that elections be held at the set dates—February 9 the local ones and, as it had been agreed upon by all political parties, general elections 2-3 months after local elections, that is the last decade of April or the first week of May 1992 at the latest so that by the end of May the new Parliament, the new government "take up work to continue both the political and the economic reform on a base apt to ensure the political expression of the moment of the Romanian people."

In conditions in which in the neighbor, former communist countries the economic life proceeds on coordinates lacking clarity and when developments are not encouraging for them Romania has a real chance to maintain a course of the political and, more particularly, of the economic life so as to be protected against delays and disturbances generated by other factors than the hardships the transition entails, Theodor Stolojan said. That is why the postponement of the local or general elections would endanger Romania, the course of the reform.

Premier Stolojan said the problem of financing the election campaign was raised during the talks. It is the government's duty to ask the Parliament to step up debates on the financing of the election campaign, he stated adding that a bill on general elections had already been finalized so that it would be submitted to Parliament by mid-January.

Party Leaders Demand Fair Election Coverage

AU0301212592 Bucharest ROMPRES in English 1729 GMT 3 Jan 91

[Text] Bucharest, ROMPRES, 3/1/1992—Mr. Corneliu Coposu, president of the Christian-Democratic National Peasant Party, initiator of the January 3 meeting with Romania's Prime Minister Theodor Stolojan, stated to the press that the representatives of the Democratic Convention had asked for that collective meeting to demand the executive that, in the perspective of local elections, the Romanian Radio Television neutrality be ensured.

"We consider the television as a factor destabilizing the situation in Romania," he emphasized inter alia, appreciating that "a strictly necessary measure for the ensurance of freedom and honesty of the elections is the independence of the national television station."

The president of the Democratic Convention, president of the Civic Alliance Party, Nicolae Manolescu, stated in his turn that the elections should be honest and held in a

fair-play spirit. "We are, paradoxically, in a situation favored by the very difficult European context, by the instability in the neighboring countries. Romania can prove in the next months that it is an island of stability in this region of the world, that one can count on Romanians as an example of democracy, too," Mr. Manolescu said.

Commission To Supervise Coverage

AU0301212692 Bucharest ROMPRES in English 1741 GMT 3 Jan 91

[Text] Bucharest, ROMPRES, 3/1/1992—In connection with the demands made by some political parties leaders concerning the neutrality of the Romanian Television in the perspective of this year's local and general elections, the leadership of the Romanian Radio Television announces in a communique signed by its President Razvan Theodorescu that "a commission is to be set up which will be made up of representatives of all parties represented in the Parliament and which will supervise the election campaign made at the radio and the television."

To this end, on Friday, January 3 a meeting was held between the parliamentarians representing the aforementioned parties and the leadership of the Romanian Radio Television, and starting on Saturday, January 4 the commission is to begin its activity at the television headquarters.

State Secretary Pop Reports Status of Exports

AU0401192292 Bucharest ROMPRES in English 1410 GMT 4 Jan 92

[Text] Bucharest, ROMPRES, 4/1/1992—Romania's exports in eleven months of last year amounted to three billion dollars and about 800 million rubles, said Napoleon Pop, secretary of state at the Trade and Tourism Ministry, in an interview with Radio Bucharest. Of this sum 353 million dollars and 17.8 million rubles were realized in November alone. The interviewee stressed inter alia that the export for convertible currency, which holds the largest share, accounts for 93.1 per cent in the January-November 1991 interval as to the export the same period the previous year. The seven per cent difference reflects the state of the Romanian economy which encountered difficulties in finalizing its export offers.

An encouraging fact is that private economic agents carrying on export activities realized 16 per cent of total exports, Mr. Pop stressed informing that Romania's 1991 exports are expected to amount to 3.1-3.4 billion dollars. What is important is the fact that these exports were made not by administrative directives but at the Romanian economic agents' own initiative.

Although not all performance parameters set by the IMF have been achieved, the situation is pretty good since the estimation of performance parameters at four billion dollars was made to see what hard currency resources can be generated by the country's own efforts.

An important export factor is the foreign trade balance whose 1991 deficit was estimated at two billion dollars and which is only 1.3 billion dollars, lower than that planned for the economic situation of the country during the transition to a market economy.

Foreign Trade Bank President Assesses Prospects

AU0301191492 Bucharest ROMPRES in English 1416 GMT 3 Jan 92

[Text] Bucharest, ROMPRESS, 3/1/1992—"We are going to turn into wholesale bank with corporate customers. We will be a commercial bank of universal vocation, handling besides commercial operations also operations with bonds", says Dan Corneliu Pascariu, president of the Romanian Bank for Foreign Trade.

The Romanian Bank for Foreign Trade, the former Central State Bank for Foreign Currency Operations and Export Crediting Agency, changed its status after December 1989, becoming a universal commercial bank. On January 1,1991 the bank turned into a company limited by shares, with entirely state-owned capital, increasing its capital from two billion lei in 1990 to 14 billion lei now. It is the biggest Romanian commercial bank in terms of invested capital. It has over 2,000 correspondents in 150 countries and 30,000 private customers. The volume of foreign currency credits given by the bank in the last two years stands at half a billion dollars.

Although the turnover of the credits in the first nine months of 1991 went beyond 300 billion lei, the bank's experts assess that the portfolio is "weak", as many of the loans are considered as non-performing. On September 30, 1991, the bank's gross profit totalled 2.67 billion lei, the foreign currency deposits reaching 34.5 million dollars. The liquidities dropped by 16 billion lei from December 31, 1990.

In 1991 the Romanian Bank for Foreign Trade contracted a managerial assistance plan and an institutional diagnosis with the British firm Coopers and Lybrand. Starting from the bank's poor capitalization, a sale of shares is contemplated soon, to foreign investors included, up to 70 per cent, with the remainder 30 per cent having to be kept under state control.

The Romanian Bank for Foreign Trade plans to engage soon in stock exchange operations and even to be a founding member of the stock exchange in Romania.

Federal

Convention for 'New Yugoslavia' Signed 3 Jan

LD0301233392 Belgrade TANJUG in English 2203 GMT 3 Jan 92

[Text] Belgrade, Jan 3 (TANJUG)—Representatives of 105 Yugoslav-oriented parties, movements and associations signed a convention on a new Yugoslavia in Belgrade this evening. "The convention is a political document and not a law," says Radovan Karadzic, speaking on behalf of the task force which drafted the final text of the document.

"I believe that the adoption of the convention will be a first step towards consolidating Yugoslavia," stresses Karadzic, the president of the Serbian Democratic Party in the Yugoslav Republic of Bosnia-Hercegovina. The document envisages that the "Yugoslav nations and their republics which have not opted for secession should ensure a perpetuation of Yugoslavia within new borders and its transformation into a democratic federal state."

The criteria for an equitable territorial and material separation are to be defined by an act of the Yugoslav parliament, says the convention. The convention envisages for setting up a "constituent assembly of those nations and citizens who shall continue to live in the Yugoslav state."

The signing of the convention was preceded by a full day of debate, which was dominated by a demand to preserve and perpetuate Yugoslavia as a democratic and sovereign state of all who want to live in it. The gathering was attended by some members of the Yugoslav State Presidency, the federal parliament and other federal institutions, as well as by representatives of the ruling parties of Serbia and Montenegro, but not by representatives of the strongest opposition parties in these two Yugoslav republics.

The convention was also attended by representatives of the Serbian Democratic Party, which shares power in the Republic of Bosnia-Hercegovina with the Moslem and Croat national parties. The Democratic Party of Federalists, together with ten other parties from Bosnia-Hercegvina, had initiated the convention in late December.

The convention was attended also by representatives of the Serb Krajina republic, proclaimed in mid-December by Serbs in those parts of Croatia where they constitute the majority population, in response to Croatia's secession from Yugoslavia. The parties, movements and organizations from the republics of Croatia, Macedonia and Slovenia, the republics which applied to the European Community for recognition last December, did not send their representative to the convention. The exceptions were the Citizens' Movement for the Truth from Croatia and the Association of Serbs in Macedonia.

Convention Participants Viewed

LD0401041992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1605 GMT 3 Jan 92

[Text] Belgrade, 3 Jan (TANJUG)—As announced at the beginning of the afternoon session, the convention on a new Yugoslavia is also being attended by representatives of the ruling Montenegrin Democratic Party of Socialists [Crnogorska Demokratska Partija Socijalista]. Apologizing for not announcing the presence of the representatives of this party earlier, Chairman Dragan Djokanovic said that this omission "happened unintentionally or intentionally, but this is now irrelevant."

During the convention, the participants were informed that apart from the representatives of 159 officially registered parties, movements, associations, and organizations, this gathering is also attended by the leaders of the Renaissance Movement of Bosnia-Hercegovina [Srpski Pokret Obnove za Bosnia i Hercegovina] and by members of the leadership of the Stari Grad (Belgrade municipality) War Veterans Association [Udruzenje Ratnika Stari Grad] and the Association of Independent Trade Unions of Montenegro [Savez Samostalnih Sindikata Crne Gore].

Document Envisages Federation

LD0301212492 Belgrade TANJUG Domestic Service in Serbo-Croatian 2004 GMT 3 Jan 92

[Text] Belgrade, 3 Jan (TANJUG)—The convention on a new Yugoslavia ended this evening with the signing of a document on Yugoslavia. It was attended by representatives of 163 [number as received] parties, movements, associations, and organizations.

The convention on Yugoslavia envisages the consolidation and continuity of Yugoslavia and its transformation into a democratic federal state community.

The document determines the duty of constituting an assembly, drawing up a new constitution and electoral law, as well as the continuous functioning of federal institutions in new conditions.

Bosnian, Croatian Serbs Opposed

LD0501163192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1509 GMT 5 Jan 92

[Text] Banja Luka, 5 Jan (TANJUG)—Representatives of the Serbian people of the Bosnian and Knin Krajinas and of western Slavonia held a meeting in Banja Luka today, at which the Convention on New Yugoslavia was condemned. The conclusion was adopted that "the Serbian people feel cheated by the Convention on Yugoslavia".

Representatives of the Serbian people from these three regions called for the preservation of peace under the auspices of the UN peace-keeping forces, and political negotiations regarding all solutions of the future system.

Jovan Opacic from Knin stressed that he is "against any power causing casualties, even if the cessation of hostilities in the interest of political negotiations does not suit someone's policy being conducted on behalf of the Serbian people." He denied legitimacy to some leaders of the Serbian people to make decisions regarding the deployment of blue helmets. Dusan Zelenbaba said that the Serbian people in Croatia have had enough of war, invalids, and casualties.

Judging by the discussion, almost all participants at the meeting stressed that the Belgrade convention on a new Yugoslavia is yet another obvious maneuver in the name of the Serbian people.

Called 'Blow' to Cease-Fire

LD0501050692 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 4 Jan 92

[Text] The Serbian Renaissance Movement considers yesterday's convention on Yugoslavia a blow to the latest cease-fire agreement and to the urgent deployment of UN peacekeeping forces. The movement believes that the door to an all-out war is now wide open, and that this was the main goal of the organizers of yesterday's Anti-Fascist Council of the People's Liberation of Yugoslavia, says a statement issued by the Serbian Renaissance Movement today.

Unhidden efforts to obtain legitimacy for creating new states—only those that are branches or ideological allies of the Serbian regime and the rump presidency of the former federation—in a typical Bolshevik way, under a five-pointed star, proved abortive, the statement stresses. It says in conclusion that calls for further bloodshed were simultaneously voiced by the Serbian socialists, the Serbian fascists, and the League of Communists-Movement for Yugoslavia.

Kosovo Albanians Critical

AU0301220092 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 3 Jan 92

[Milivoje Mihajlovic report]

[Text] The Democratic Alliance of Kosovo, and Albanians, consider the convention for new Yugoslavia alien and strange, just like any form of Yugoslavia. This was emphasized by Fehmi Agami, vice president of the largest Albanian party in Yugoslavia, at today's news conference in Pristina.

This party sees the Convention for a New Yugoslavia as an attempt of the unitaristic and hegemonistic forces to save what can still be saved. This convention, Agami said, will only be interesting because the five-pointed star and cockade will appear in it together.

The claim that the Serbian authorities are terrorizing Kosovo and Metohija was repeated today. According to Agami, the option of Albanians is a peaceful solution, but this party, he said, believes it has a legitimate right to organize its own defense.

At today's press conference, great attention was devoted to the latest interview by Serbian President Slobodan Milosevic, particularly to the part referring to Kosovo and Albanians. Although the interview provoked great interest here, this part of the interview, Agami said, is vague and in some aspects even confused. This party believes that the interview is one of, as they called it, verbal concessions Serbia is willing to make occasionally, under the pressure of international and domestic public opinion. Bearing in mind that President Milosevic is insisting upon joint action by Serbs and Albanians, the party believes these expectations are futile if the joint action means the implementation of Serbian domination over Kosovo.

SAO Rejects Convention

AU0301194692 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 3 Jan 92

[Slavko Pusic report]

[Excerpt] Goran Hadzic, representative of the Serbian Autonomous Region [SAO] of Slavonia, Baranja, and Western Srem, is visiting Belgrade today, but he is not attending the convention for the creation of a new Yugoslavia. Hadzic told reporters that the government and people of this Serbian region are for peace, but that they are not satisfied with the profile of the participants in the convention, and they do not wish that for the Serbian nation to be swindled again.

In expectation of the official beginning of the 15th cease-fire, which takes effect at 1800 [1700 GMT] this evening, there is no peace in this Serbian region. Besides the village of Mirkovci, which is being subjected to almost incessant Ustasha fire from Vinkovci, Tenja has been exposed to a fierce barrage during the last three days. [passage omitted]

Reportage on Observance, Status of Cease-Fire

Violations in Western Slavonia

AU0401155692 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 4 Jan 92

[Branislav Bozic report]

[Text] The Croatian paramilitary formations have not been respecting the latest truce at all. This is stated in a communique issued by the information service of the Banja Luka Corps. The information service claims that the Croatian forces have today mainly been opening artillery fire on all positions of the Yugoslav People's Army and Territorial Defense, and that they have been particularly aggressive on the front west of Nova Gradiska. Or to be more precise, they have been opening fire from the villages of Sirinci, Masic, and Masicka

Sagovina on the villages of Gornja Trnava and (?Medari). The communique also says that the EC observers mission has been informed about this and that it has sent its observers to the battlefield to assess the situation itself. The communique does not say whether the Yugoslav People's Army has returned fire.

Danube-Sava Front Quiet

LD0501101192 Belgrade TANJUG Domestic Service in Serbo-Croatian 0919 GMT 5 Jan 92

[Text] Sid, 5 Jan (TANJUG)—On the front between the Danube and the Sava, guns have been silent for the second day in a row—announced the military command in Sid, warning of great caution because it has been noticed that "Ustasha formations are continuing to consolidate their positions." The EC observer mission yesterday toured the battlefield in the Nijemci and Donje Novo Selo area where it observed efforts of the latest cease-fire, the communique adds. Mixed commissions of both sides are scheduled to meet today on a section of the road between Vinkovci and Mirkovci. One member from each of the observer mission, the Yugoslav People's Army, and the National Guard will be included in the delegations, the communique says. The aim of the meeting—as announced—is to set precise guidelines for observing the situation on the battlefields and the cease-fire, as well as to maintain contact between commanders on both sides and the EC observer mission in case the cease-fire is violated.

Nova Gradiska Fighting Reported

LD0401120792 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 4 Jan 92

[Excerpt] Cease-fire in the Nova Gradiska front has broken down and peace agreements are once again being violated by the Serbian aggressors whose infantry tried to break through toward Sirinci. Our fighters repelled this attack, but there are indications that the Serbian Army is also preparing an artillery attack on this village. Sirinci, a powerful Chetnik stronghold on the slopes of Mt. Psunj, and the surrounding area are finally under the control of our army and the cease-fire order at 1800 [1700 GMT] prevented our soldiers from continuing to push out the Serbo-Chetnik formations toward Okucani. Our defenders repelled two attacks and finally defeated the enemy killing at least 20 soldiers. One enemy tank was destroyed and several Chetniks were captured. Our army also captured three trucks. [passage omitted]

New Croat Units at Kricke 'Worrying'

AU0501170592 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 5 Jan 92

[Branislav Bozic report]

[Text] As things are at the moment, the word truce is no longer an abstract concept in western Slavonia. More peaceful 24 hours than this last day have not been registered since the beginning of the war. The Banja Luka Corps information service has reported that not a single shot was heard on the whole battlefield last night. The same situation mostly continued today as well, except for two grenades that were fired by the Croatian paramilitary formations at the positions of the Banja Luka Corps in the village of Medari, to the west of Nova Gradiska, shortly after 0900 [0800 GMT]. There was no response to these provocations.

What is worrying, however, is that Croatian formations have brought new units to the part of the front between Novska and Lipik, to be more exact, to the village of Kricke. They have also been seen to regroup their units in some other places. Along the entire front line, reconnaissance unit members of the Croatian formations have been observed coming much closer than usual to the positions of the Yugoslav People's Army.

'Ustasha' Attack on Tenja Cited

AU0501163892 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 5 Jan 92

[Slavko Pusic report from Slavonia]

[Text] In the Dnevnik news cast last night, we reported that citizens of Tenja, as well as Milan Trbojevic, member of this village's Defense Headquarters, do not believe that the Ustasha will obey the 15th truce, and this morning it was shown to be true. Exactly at 0800 [0700 GMT], machine-gun fire was opened at Tenja, and the first mortar bomb fell on the village 20 minutes later.

In a conversation with Lieutenant Colonel Miroslav Spanovic, who had been inspecting his unit's positions at that moment, we learned that Croatian fighters violated the truce again at 0840 and then at about 0930 when they opened machine-gun fire at Tenja.

Units of the Yugoslav People's Army, Serbian territorials, and volunteers have not responded to these provocations, because there were no consequences, but if this happens again, their response will be fierce.

According to the reports we had received by 1330, there were no violations of the truce in the other parts of the eastern Slavonian battlefield. It is peaceful in western Srem, around Mirkovci, and similar news has been received from Baranja as well.

JNA Seizes 'Poison Gas' Factory

LD0501173392 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 5 Jan 92

[Antonio Pehar report from Mostar]

[Excerpt] The day has been quiet in the town except for the alarming news that early yesterday afternoon the occupation army, using two tanks, three Pinzhauers, and two trucks full of soldiers, entered the premises of the Military Technical Institute that is in the Bjelopolje town suburb. Behind the the named Military Technical Institute hides a poison gas factory, the production process

and program of which were uncovered three months ago . After taking the Institute, occupation troops told the employees to leave and asked them to report back to work as late as 28 February.

This latest act by the occupation forces can be interpreted in several ways. It can also be said that it simultaneously achieves several objectives: the psychosis of fear among the population is stepped up, or perhaps the intention is to bring further pressure to bear on civilian authorities by the threat of an ecological disaster, or the production of poison gas is to be stepped up with a new and more lethal assortment. [passage omitted]

Incidents Near Dubrovnik Reported

LD0501164292 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 5 Jan 92

[Text] Today, the enemy army repeatedly broke the latest cease-fire in the Dubrovnik area. At 0530 this morning, it opened artillery fire on the imperial fortress on Mount Srdj from its positions on Mount Brgat. Two incendiary shells were fired on the fortress, which set fire to a wood on the northern side of Mount Srdj.

The next incident happened at 0730, when sniper and automatic weapon fire was directed at a Croatian Navy speed-boat in the process of salvaging a crewless boat in the Kolocep Channel. Half an hour later, fire was opened on the Saturn tug-boat from enemy position at Lozica. The tug-boat was towing 21 yachts to a safe place.

Croats Attack Mirkovci Area

LD0501213992 Belgrade TANJUG Domestic Service in Serbo-Croatian 2107 GMT 5 Jan 92

[Text] Sid, 5 Jan (TANJUG)—The village of Mirkovci came under fresh attack between 1920 GMT and 1930 GMT this evening when artillery fire was opened from the direction of Vinkovci on the front defense lines of the village. Fifteen shells were fired, the Yugoslav People's Army press center in Sid stated this evening.

This is the second artillery attack on the villages of Mirkovci and Ceric launched by the Croatian Armed Forces today. The Army did not reply to these provocations.

The first artillery attack took place between 1625 GMT and 1710 GMT this afternoon when the villages of Mirkovci and Ceric came under attack from Vinkovci. The EC monitoring mission in Belgrade was informed about this attack at about 1800 GMT.

Presidency Member Says UN Peace Plan Binding

LD0301233892 Belgrade TANJUG in English 2213 GMT 3 Jan 92

[Text] Belgrade, Jan 3 (TANJUG)—Member of the Yugoslav State Presidency Borisav Jovic this evening said that the peace plan proposed by U.N. envoy Cyrus Vance was binding on all and that all must abide by it.

Jovic made the statement to TANJUG in connection with a statement made by Milo Paspalj, the president of the assembly of the Serb Krajina republic, at a convention of 163 parties, movements and organizations on the future of Yugoslavia in Belgrade today.

The republic of the Serb Krajina was set up in mid-December last year in the territories of the Republic of Croatia where Serbs constitute the majority population.

Paspalj questioned the decision of the Presidency to accept the concept for the deployment of U.N. peace-keeping troops and said that he considered as an act of violence the intended disarming of the Krajina and deployment of a peace-keeping force.

"Before taking its decision to accept the concept for the engagement of a U.N. peace-keeping force in Yugoslavia, the Presidency of Yugoslavia had conducted all the necessary consultations, including consultations with representatives of the Krajina," Jovic said. "The decisions of the Presidency of Yugoslavia are binding and must be honoured by all those on whom they are binding. The statement made by Mr Paspalj may be considered as his personal opinion, but cannot influence the implementation of the decisions of the Presidency of Yugoslavia," stressed Borisav Jovic.

Replacement of Bank Notes Concluded

LD0401150292 Belgrade TANJUG in English 1329 GMT 4 Jan 92

[Text] Belgrade, January 4 (TANJUG)—Vice-Governor of the National Bank of Serbia Rade Jakovljevic has confirmed that the replacing of banknotes in this Yugoslav republic has been brought to a successful conclusion. Jakovljevic stated to Belgrade daily POLITIKA he expected that by mid-January the banknotes put into circulation in late December would begin functioning normally.

The Council of Governors of the National Bank of Yugoslavia on December 24 adopted decision that the dinar banknotes be replaced with new ones in one week's time. The decision was aimed at preventing speculations after Croatia a day earlier introduced its "Croatian dinar" and Slovenia in early October its national currency—the tolar.

The replacing of banknotes was carried out in the republics of Serbia, Bosnia-Herzegovina, Macedonia and Montenegro. The last days of December saw long queues in banks of people intending to replace the old banknotes with new ones. The shops were crowded because the citizens wanted to "get rid" of the old banknotes and obtain goods instead. The Belgrade daily VECERNJE NOVOSTI writes on Saturday that the decision to replace the banknotes has "cleaned up the shops" in Belgrade.

Although business was poor in the recent months, the purchasing power of Belgraders "suddenly increased" as

borne out, as the paper notes, by the shortages of gold coins and jewelry in shops, luxury goods, furs, mink coats, audio and video equipment, imported carpets...

"Larger quantities of banknotes, which many looked upon as only worthless paper" were being used en masse to by luxurious items, said the paper.

One of the reasons for this massive shopping spree was also to be found in the replacement of the banknotes. The citizens were in a position to change the old banknotes for new ones to the amount of 30,000 dinars, which equals around 300 dollars at the black market rate.

TANJUG Notes 1991 Production Figures

LD0601173292 Belgrade TANJUG in English 1511 GMT 6 Jan 92

[Text] Belgrade, January 6 (TANJUG)—In 1991, the social product in Yugoslavia dropped by 15 percent and industrial production by 21 percent as compared to 1990, according to the Federal Statistical Office.

An increased production of 7.6 percent was recorded only in the agricultural sector, and this was mainly due to good weather conditions. Inflation in 1991 reached 235 percent while imports decreased by 21 pecent and exports by 27 percent. Wages in Yugoslavia in 1991 were realistically 16.9 percent lower than in 1990.

First estimates show that the number of unemployed in the country has already reached two million, which is about 19 percent of the working population.

Businessmen warn that the negative trend will continue in 1992 unless the war and the accelerated drop in production are not stopped, and unless the economy receiges a financial boost.

Defense Secretariat Communique on Army Changes

LD0301203992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1742 GMT 3 Jan 92

[Text] Belgrade, 3 Jan (TANJUG)—Within the framework of the Yugoslav People's Army [JNA] transformation, on 30 December 1991 the SFRY Presidency passed a decision on improving the organization of the Yugoslav Armed Forces. Four military districts have been formed: the First Military District with its seat in Belgrade; the Second Military District with its seat in Sarajevo; the Third Military District with its seat in Skopje; the Fourth Military District with its seat in Titograd. The Information Service of the Federal Secretariat for National Defense also reported that the Navy has been formed with its seat in Kumbor (Boka Kotorska).

In keeping with the above decision, certain cadre changes have also been carried out. By the decree of the SFRY Presidency of 30 December 1991, the following appointments have been announced: Colonel General Zivota Avramovic has become under secretary in the Federal Secretariat for National Defense; Col. Gen. Milutin Kukanjac becomes commander of the Second Military District; Col. Gen. Nikola Uzelac becomes commander of the Third Military District; Col. Gen. Pavle Strugar becomes commander of the Fourth Military District; Admiral Mile Kandic becomes commander of the Navy; Col. Gen. Andrija Raseta becomes deputy chief of general staff of the SFRY Armed Forces; Col. Gen. Tomislav Simovic Deputy becomes chief of general staff of the Armed Forces for the Land Army; Col. Lt. Gen. Vladimir Vukovic becomes commander of the Banja Luka Corps; Col. Lt. Gen. Spiro Nikovic becomes commander of the Bihac Corps; and Gen. Maj. Ratko Mladic becomes commander of the Knin Corps, the communique says.

Decrease in Number of JNA Recruits Viewed

92BA0277B Belgrade NARODNA ARMIJA in Serbo-Croatian 14 Dec 91 p 5

[Article by Ivan Matovic: "Solidarity in Sharing the Burden of the War"]

[Text] The 1st Guard Division, with its brigades, which nurture the combat traditions of the 1st Proletarian, 3d Sandzak, and 3d Krajina Brigades and other regular and added units, has for months been holding a broad operational zone in one of the crisis areas of Croatia. Aside from the success in combat—in strengthening military collectives, in bolstering combat morale, in developing ties with the people who want to cooperate with the JNA [Yugoslav People's Army] in the zone of its responsibility—units of this division have also had problems from the beginning of preparations to depart for the battlefield. This has to do with the failure of military registrants to report and with individuals and groups leaving their positions after they have gone to the front. The public has, in any case, heard and seen quite a bit about this, and the leaderships of certain political parties have taken skillful advantage of this in the fight to win over the electorate and to take power, frequently even making public appeals to "their" reservists for obstruction, insubordination, and acting without authorization, proclaiming treason to be a virtue and even a patriotic act.

Somewhere around mid-September those problems were aggravated even more by everything that resulted from the statement made by an official concerning replacement of military registrants at the front after 45 days, which was hasty, rash, and unbalanced, and which was made under the pressure of the "deserters" from the front and their political mentors. In a conversation on building combat morale of the units, the commander of this division says that hundreds of reservists immediately and firmly "seized upon" that statement, which was made irresponsibly and without jurisdiction, and on that basis he found it even more harmful and inappropriate, because it is directly influencing the combat readiness of the unit—in a negative sense. He reasons:

No sooner have the personnel of a war unit been welded into a firmer military collective—after overcoming the initial deficiencies which are so normal in view of the radical change in the way of life and being placed in the combat situation when there is a danger of losing one's life or receiving a wound—a certain combat experience, self-confidence, and confidence in the weapons are gained, one becomes familiar with the terrain and neighbors, which are prerequisites for success in armed combat—and the commanding officer must release them to go home and again receive on the battlefield inexperienced people who will have to experience all the specific features of war from the beginning. It is a particular problem to replace the personnel of armored and mechanized units in that the drivers of combat vehicles and those who operate sophisticated systems need a certain technical competence and special training, and a sizable portion of that excessively short period of 45 days is "eaten up" by supplementary training, without which no one can go to the first line of combat.

Nor have those "notorious" 45 days remained something specific just to this unit nor just to reservists from Serbia. On the contrary, commanding officers of operational groups, corps, and brigades assigned to the crisis areas of Croatia, equally pressed by the demands of people mobilized from other parts of the country as well, have been speaking for months in almost this same way about the problem of excessively frequent replacement of personnel in the first line of battle. The reservists, aware that this was to their advantage, took up this proposal, which was not officially adopted anywhere, as though it were a legal decision and as an "acquired" right. They used it as the basis for presenting demands to unit commanders, in some places engaging in blackmail and abandoning positions in groups, and then they held rallies in front of institutions in their native regions, or these demands were waved in the air by various "peacenik" movements and party leaders and groups and by relatives of reservists who had been manipulated by them.

The public was told on several occasions and it was indeed demonstrated in fact that this war was imposed on the Yugoslav People's Army and that it finished the first stage of it victoriously and created the preconditions for the matters in dispute to be resolved by political means instead of force, remaining consistent that it would do everything if it had to through the further use of weapons to restore peace to those regions as soon as possible. And no one saw better than its members nor realized more profoundly the kind of suffering war brings to people, no one wanted the bloodshed to end more than they did, but also no one could evaluate more rationally the political and military circumstances on our scene and the world scene and foresee that the war could unfortunately persist. The country, after all, is living in an immediate danger of war, part of it is already at war, and units of the JNA and TO [territorial defense] are involved in it, carrying out missions crucial to the defense of Yugoslavia against advancing fascism and in order to prevent the spread of civil war and repetition of genocide against the Serbian people in Croatia, which is also the clear objective of the war. This is the basic reason, and, we believe, easily comprehended reason for the demand that when a general mobilization has not been proclaimed and when every evening we see the evidence of massacre and destruction on TV, the lasting and stable replenishment and adequate numerical strength of the Army must be guaranteed.

It is well-known that the JNA, thanks to the secessionists' policy of the fait accompli, was left "short" several tens of thousands of recruits who, had they reached their units, would still be in the Army. The number of recruits that can be anticipated for the JNA is continuing to drop radically and is not sufficient even to meet the most minimal needs of the Army, and this is something that must be counted on as a lasting feature. The numerical strength required by the combat readiness of the JNA, then, can be met by an appreciable extension of the length of military service or a larger mobilization of the reserves, but the most natural thing, because the necessity has arisen, is to combine both in acceptable proportion. That is, it is unpopular to spell out the expression of the harsh reality of war, much less come out in favor of it, but we have no other option. As a matter of fact, the alternative to this solution is to put weapons away and bow our head before the onslaught of fascism and Ustashism, give up the Serbian people in Croatia to a repetition of Ustasha genocide, and choose a lack of freedom and the obligations of a protectorate as a prospect and as a way of life. But if we want Yugoslavia as a state which, going through its own catharsis, is coming into being based on the will of those nationalities which want to live in it together and in harmony, then that will require an appropriate army, which, organizing itself and transforming itself on the run into the armed force of the Yugoslavia which will survive, will be ready to commit itself preventively or make a maximum contribution to resolution of the Yugoslav crisis by force of arms. The prerequisite for success in this is an army under arms whose size has been sensibly determined.

The SFRY Presidency in fact debated this problem in a meeting on 10 December, which should be related to its decision made on 22 October on the basis of the proposal of General Veljko Kadijevic, which specifically spoke about mobilization of military registrants and units in keeping with the operational needs of the JNA "in the most legitimate possible way." Accordingly, three days ago the collective chief of state, in keeping with its constitutional and legal authority and responsibility, issued an order requiring that soldiers who entered the JNA in 1991 are to remain in the JNA as military registrants up to three months immediately following the end of their required military service, while personnel from the reserves may be called up into war units of the JNA and TO, while those who are now in war units may be retained no longer than four months.

Because a general mobilization has not been proclaimed, this method of replenishing war units is necessary, it

presupposes uniformity, promptness, and fairness in the calling up and commitment of the reserves, and thereby also solidarity in sharing the burden of the war. The collective commander in chief, that is, has made service in the reserves the same for all military registrants, which is all the more important, because this is one of the most subtle obligations, especially in the context of war. Soldiers serving required military service, because they have already been completely trained, would be retained up to three months, and personnel in the reserves are called up for a period not to exceed four months, because within that period of time it is possible to provide quality training as a condition for successful involvement in combat operations, and, if necessary, they can be retrained for other positions, especially in the specifically technical arms, especially for operating up-to-date armament and sophisticated systems. This is also a period of time which makes it possible to schedule the replacement of combat units, rest and recreation for personnel, and also the planned use of brief leave for military personnel. This is the optimum period of time and certainly contributes more to motivation than the previous one—for war units, for military registrants and their families, but also for work organizations.

The objectives and social needs on behalf of which this solution must be adopted are so serious that all the competent factors in society must make a maximum commitment to its correct clarification and consistent application, seeing this as a vital need of every citizen of our country. And more than that: This ensures conditions for working out the future of the Yugoslav nationalities in a peaceful and dignified way, which puts an obligation on every individual to be broad-minded in the way he looks at joint needs and to display solidarity in accepting the responsibility this imposes on him. What is happening to us through the destructive activity of others is a most serious test which no one can allow himself to fail, because we simply have no further occasion for make-up examinations either as a society or as individuals.

Slovenia

Foreign Ministry Protests Airspace Violation

AU0301214892 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 3 Jan 92

[Text] In connection with the overflight of a MiG-21 military aircraft above Slovenia, the Ministry of Foreign Affairs of the Republic of Slovenia filed a protest with the Serbian Foreign Ministry, stating that such violations cannot continue without consequences for bilateral relations. Slovenia also requested that the Serbian Foreign Ministry forward the complaint to the responsible ministry in Belgrade. This is the first violation of such a nature; therefore, we expect an explanation and an apology, stressed the Slovene Foreign Ministry in its letter. A similar protest was filled with the Federal Secretariat for Foreign Affairs.

Rupel on 'Battle' Between Europe, U.S. Diplomacy

AU0301221092 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 3 Jan 92

[Interview with Slovene Foreign Minister Dimitrij Rupel by Barbara Kramzar on 3 January; place not given—recorded]

[Text] [Rupel] In regard to the UN peace initiative, it is most certainly a positive one, and we should accept it. I believe the objections by the U.S. and the UN secretary general concerning the recognition and 15 January [date set by the EC for recognition of the Yugoslav republics], will now have to cease. So far, the Hague peace conference, Lord Carrington, Cyrus Vance, and so forth, were all given a chance to achieve peace by avoiding the recognition—that is to say, before the recognition of the republics. In short, I hope that this peace initiative is successful.

Regarding the fact that the threads of Yugoslav diplomacy are all running into the hands of the UN, if I understood correctly, I would say the following: A certain overlap of UN diplomacy with what is currently happening in Belgrade is not good, because it continues to obscure some of the facts. For example, the Convention on a New Yugoslavia is taking place in Belgrade today. For someone not well acquainted with the circumstances, either from the UN or from the U.S., this is a signal that perhaps it is still possible to preserve Yugoslavia, or to construct a new Yugoslavia. This, at least in my opinion, violates the principle of the arbitration commission, chaired by Jacques Badinter, which stated that all republics are the successors of Yugoslavia and that Yugoslavia no longer exists, that is to say, that Yugoslavia is disintegrating.

Here we are now witnessing a sort of battle between the European and American, or, if I can describe it like this, international diplomacy, and everything seems to suggest that this battle on the territory of the former Yugoslavia is being demonstrated as a battle between the so-called northern and southern republics—that is to say, this battle is literally being transferred to our territory, which is not good.

Foreign Minister Writes Secretary Baker on Crisis

LD0501051192 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 4 Jan 92

[Text] Slovene Foreign Minister Dimitrij Rupel has written to U.S. Secretary of State James Baker about the war in Croatia, the crisis in the former Yugoslavia, and international activities. The letter stresses that many Slovenes, especially those acquainted with the U.S. system of democracy, find it incomprehensible that Americans are against a free and independent Slovenia. Dr. Rupel believes that this is a misunderstanding that should be clarified as soon as possible in mutual interests.

Referring to the underlying reasons for the breakup of Yugoslavia, he stressed in his letter that Yugoslav institutions must be declared illegitimate and illegal. The successor states of the former Yugoslavia are its republics and their associations, some of which could come to an understanding on a joint federal, confederal, or some other interstate setup, as they have already done in the context of The Hague conference.

Dr. Rupel says that in the former state there has been a re-emergence of pressure by former or new illegal and illegitimate bodies working for Yugoslavia, stressing that the meeting of the Convention on a New Yugoslavia yesterday is a concrete example of such activity. The meeting amounted to nothing but a greater Serbian policy stance that is sheltering its antilegal, antidemocratic, anti-European, and anticivilization strivings behind its policy of conquest wrapped up in legal technicalities and ruthless evocation of the principle of legitimacy, stressed Dr. Rupel. He added that Serbia intends to take over Yugoslavia's position under its old name, while pursuing a war of conquest against Croatia.

The Slovene minister expressed his great concern over the fact that the democratic world, led by the United States, has not tackled the Yugoslav problem as quickly and efficiently as it did in the case of the former USSR.

Jansa Views Republic's Military, Croatian Problem

92BA0255A Ljubljana MLADINA in Slovene
19 Nov 91 pp 4-7

[Interview with Slovene Defense Minister Janez Jansa by Miha Stamcar; place and date not given: "In the Next Term I Would Rather Be in the Opposition"—first paragraph is MLADINA introduction]

[Text] Janez Jansa. Former prisoner. The only Slovene for whom we stood in the sunlight, the rain, and the snow, and chanted, "Janez, Janez from Kranj...." Today he says in regard to the background of the JBTZ [Yugoslav Foreign Trade Bank] affair that most of the events have already been explained. The direct order was given by the SFRY's then Secretary for National Defense Branko Mamula, and General Visnjic and Secretary for Internal Affairs Tomaz Eril were authorized to carry it out. Most of the work was done by the Slovene State Security Service; the members of the SFRY Presidency at that time, Stane Dolanc, and all the key people in Slovene politics at that time were kept informed about the events. During the war he was and remained a spy. That is true. His latest discovery is the atom bomb.

[Stamcar] A while ago you gave several interviews to the Croatian media. In them, you were much more radical than the Croatian authorities. Do you think that you thereby influenced the course of the war?

[Jansa] No, I think not. As far as I know, the majority opinion in Croatia was advocating similar measures. The position of the Croatian public was similar to the position that I expressed in my interviews. Likewise, many parties in Croatia had already shown earlier that they were of the same opinion. Certain logical facts were being repeated, but were not present in official Croatian policy. Why, is another question.

[Stamcar] The Croatian Rights Party boasted that it had direct contacts with the Slovene Defense Ministry. If that is true, did you consequently act against the interests of the Croatian government?

[Jansa] I do not know what was meant by direct contacts. The only thing that is true and that the one who said that probably had in mind is that the HSP [Croatian Rights Party] is the only one that offered volunteers when Slovenia was attacked.

[Stamcar] And did you accept those volunteers?

[Jansa] Fortunately, the war ended quickly, but in spite of everything, there were several volunteers from Croatia in the territorial defense ranks.

[Stamcar] Then you have not had any more contacts with that party?

[Jansa] After the end of the war, contacts were no longer maintained. The party was involved in Croatia, not in Slovenia. Possibly it is also interesting that during the war, except for the Croatian authorities, we only had contacts with two Croatian parties, the HSP, as I mentioned, and the Party of Democratic Changes, whose president, Racan, visited Slovenia.

[Stamcar] In spite of that, you knew Paraga even earlier.

[Jansa] I have known Paraga ever since the time when he lived in Ljubljana as a dissident, but we have not had any sort of close ties.

[Stamcar] How do you view the schism between the HOS [Croatian Armed Forces] and the official Croatian army?

[Jansa] I do not know if there is a schism between the two armies. In the first place, they are not armies in the true sense, but rather armed formations, at least as far as the HSP's units are concerned. On the other hand, it is true that from the very beginning that party advocated a radical military policy, which the official Croatian authorities are now also deciding upon. That, of course, wins points for the party among the public and in politics. Regardless of all the iconography, the HSP, as far as the military issue is concerned, advocated the solutions that are now being adopted by the Assembly, the Croatian government, and the president himself, but at this time it is difficult to say whether the party had incorrect starting points. And if one is seeking someone to blame for the fact that armed party formations emerged, then the parties that established their own army are much less to blame than the Croatian state, which centralized defense, and did not organize it, so that it was not even possible at all. If the state had acted,

those formations simply could not have existed; they did not exist in Slovenia, for example.

[Stamcar] Is there a danger that conflicts between party militias may start in Croatia?

[Jansa] That is a serious problem. I think that Croatia also perceives it that way. Settling this issue will probably not win the present authorities any positive points, since it is responsible for this issue's even arising in wartime. The situation is dangerous, of course. From history, we know of several examples of conflicts occurring among the formations defending some state. Israel, for example, had this kind of difficulties immediately after the first truce, in 1948; there were conflicts among the formations of different Israeli armed factions, even though there was great danger, since five Arab armies were at the borders.

[Stamcar] How can that be avoided?

[Jansa] By the state's taking action. The danger will pass in Croatia as well, if defense is organized as it should be now, in accordance with the standards that apply in parliamentary states.

[Stamcar] People are saying in Croatia that some fighters are also being trained in Slovenia?

[Jansa] No foreign armed formation is being trained in Slovenia. During the war there were admittedly several volunteers in our ranks, but that is no longer the case.

[Stamcar] Are you helping Croatia in any other way?

[Jansa] In this war, Slovenia has made the value judgment that it is on Croatia's side, and it is conducting its policy in accordance with this, in the military area as well. The possibilities for assistance are very limited, however, in the first place because there is a legal prohibition against the use of territorial defense forces outside the territory of Slovenia, and in the second place because of the ban on the imports or exports of arms and military equipment to Yugoslavia. Most has been done in the area of exchanging information, and of course, above all through the army's withdrawal from Slovenia. Croatia now has its back secure. The 600 kilometers of the border with Slovenia are safe for Croatia. Just by virtue of the fact that this has been done, a strategic shift in the balance of power has been achieved, and since then, at least in my opinion, there is no longer any real danger for Croatia that it would be completely defeated or occupied.

[Stamcar] It is said that Slovenia is sending the weapons that it captured from the army to Croatia.

[Jansa] No. Those weapons are mostly stored in Cerklje and Vrhnika, where they are waiting for a division balance-sheet. You can go and look at them. In any case, Croatia has resolved the weapons issue, at least for some time, with its offensive actions in recent months. The problem is anti-aircraft weapons, which the army did not have. All the other weapons and ammunition were in the depots in Gorski Kotar or Velebit for a small war. Croatia distributed most of the weapons elsewhere, even before the depots were attacked from the air.

[Stamcar] A while ago you said that it would be smart if Croatia also carried the war into Serbia; in a way, that has happened with the bombardment of Sid and Apatin. Doesn't that mean an even greater homogenization of Serbia, and the beginning of total war?

[Jansa] Different views are possible, but the experiences from our war indicate that the Serbs will not come out firmly against the war until they feel the consequences of the war themselves. The protest of the mothers in the Serbian Assembly was a consequence of the lists that the Red Cross sent to Serbia, and that cited the names of the soldiers who had been taken prisoner or killed. That stimulated people; they saw that people were dying in Slovenia and that they were sending their soldiers to die. According to our information, the Serbian authorities are informing relatives about casualties after a great delay; the military medical institutions are full of corpses that are being stored, and often the corpses are being burned or buried in common graves. The most drastic consequences, which can change public opinion, are not yet being felt in Serbia. People do not even know that their sons have died.

[Stamcar] And how many casualties from the war in Croatia have there been, in your opinion?

[Jansa] The figure of 10,000 casualties that Croatia has provided is realistic, in my opinion; only the ratio of 2,000 Croats to 8,000 Serbs is probably not accurate. There may be even more casualties, since many of them have not even been recorded. All sorts of things may be concealed in the figure of 400,000, which is supposed to be how many refugees there are; many people who are considered refugees may have died. Such large numbers permit speculations and estimates off by several thousand plus or minus.

[Stamcar] In the situation that currently exists in Croatia, would you personally agree to a ceasefire and the arrival of the blue helmets?

[Jansa] Of course, under the condition that the peacekeeping forces would be deployed on the border between Croatia, Serbia, and Bosnia, as Croatia proposed. If they consented to deployment along the line of the conflicts, then they would thus be consenting to formalization of the situation that has been achieved by force.

[Stamcar] What significance would the blue helmets have on Croatia's borders? Wouldn't that mean a continuation of the conflict between the Serbian paramilitary formations and the Croats?

[Jansa] Before such intervention, of course, it would be necessary to fulfill numerous political demands, and primarily it would be necessary to regulate the status of the Serbian minority in Croatia. Croatia agrees to this, and that is also the latest Serbian demand.

[Stamcar] How could the Croats even conquer Knin and the other occupied areas?

[Jansa] There is no sense in conquering Knin and the other areas where the Serbian population was already in the majority before. Those are regions with a configuration that makes guerrilla warfare possible, and that would mean continual conflicts and enormous expenses, even if Croatia were able to take over those areas by force. It will be necessary to seek a solution for those areas within a framework of political autonomy. The difficulty with this is that conflicts are now taking place in areas that are also demographically Croatian, or inhabited by a weak Serbian minority, in Dubrovnik and Vukovar.

[Stamcar] Do you think that the JNA is really using poisonous gases, and that it really has tactical nuclear weapons?

[Jansa] We are familiar with several types of poisonous gases; the army has chemical weapons for incapacitation and also uses them, from tear gas to nerve gases with a short-term effect. I think, however, that it is not using poisonous gases that cause death; at least so far that has not yet been proven. These are weapons which, after all their use in the Middle East, have a very negative effect upon the attitude of the world public. With those weapons they would not achieve the kind of successes that could make up for the negative effect among the public from their use. Furthermore, regardless of who is in the army's ranks, there are certainly also some people there who would not use those weapons for humane reasons, because they are familiar with the consequences. As far as tactical nuclear weapons are concerned, I have already said that we have discovered traces which indicate that the army could have them. There will probably be more information available soon on what sort of research took place here so that Yugoslavia could manufacture such weapons itself. Those efforts have been under way ever since the 1950's.

[Stamcar] What sort of effect would those weapons have in comparison with the bomb that the Americans dropped on Hiroshima?

[Jansa] The yield of these weapons is smaller; I think that the one in Hiroshima was a 10-kiloton bomb, but these are weapons with a yield of 0.3 to 0.5 kilotons. In spite of that, the consequences of such a bomb are "in essence" the same as the consequences of a bigger bomb. Even if the army had such weapons—although that has not been proven, and there are only arguments for suspicions—there actually is even less of a possibility that the army would use them than in the case of chemical weapons.

[Stamcar] The Croats also probably have poisonous gases; if nothing else, they obtained them at the JNA warehouses that they captured.

[Jansa] Perhaps they did obtain them, but in my opinion they were tear gas and other chemical weapons for temporary incapacitation. I think that it would not be sensible to use them; Croatia would pay for that even more than the army. Chemical weapons are something that is used for propaganda purposes on both sides.

[Stamcar] Is there still a danger of war for Slovenia as well?

[Jansa] At present it is very small, but one cannot rule out threats with the air force and surface-to-surface missiles. For the time being, however, it is simply impossible for the army to attack Slovenia with armored units again.

[Stamcar] There is a certain discontinuity between today's TO [territorial defense] and the TO headed by General Hocevar. Can you explain the "National Defense" operation, through which you pilfered more than 10,000 soldiers from the former TO?

[Jansa] We did not steal the soldiers from TO, but rather from General Hocevar and the general staff to which Hocevar, by his own decision, was subordinate. I am also thinking about writing something more about the participants and background of that operation in a book, for which I am currently gathering material. Slovenia was forced to insure its first steps toward independence. The formal basis for this was the Law on Nationwide Defense, which was still in effect at that time. In the provisions that governed National Defense, it was completely under the jurisdiction of the republic, whereas TO was partly under federal jurisdiction. The TO leadership at that time decided that it would serve the army, and for that reason, under the legal form of National Defense, we reorganized certain TO commands, linked headquarters and units, and distributed weapons from the opstinas where they had not been confiscated and from the republic reserves, which we kept safe in Kocevska Reka at the time of the confiscation of the weapons, so that a structure was established in Slovenia that was mostly identical to the structure of TO. The headquarters that was loyal to Kadijevic, however, did not have any influence whatsoever over that structure, and even in Hocevar's headquarters there were many people who cooperated with us.

[Stamcar] How did you succeed in concealing the operation from KOS [military counterintelligence]?

[Jansa] The operation was headed by a few people, and it is only their dedication that we have to thank for the fact that everything was carried out without anyone finding out about those activities. Everything proceeded through contacts with those people who proved their loyalty to Slovenia at the time of the army's action to confiscate the weapons. The action to confiscate the TO's weapons, in addition to negative consequences, also had positive ones: at every opstina headquarters we knew precisely who had turned over the weapons and who had not, who was loyal to the army and who was loyal to Slovenia. There was virtually no one who was not forced to make a choice. Obviously we did not include those who were loyal to the army in the operation. Fortunately, there were relatively few such people, and so that did not

hamper the operation. It even happened that entire opstina or regional headquarters were included in the new structure, with the exception of their commanders, who were active army personnel and did not know what was happening.

[Stamcar] How did you learn about the OKOP [Trench] plan?

[Jansa] We obtained the entire plan, with all of its attachments, directly from the general staff in Belgrade, from people who participated in drafting it.

[Stamcar] Are those people still at the general staff?

[Jansa] I would rather not answer that.

[Stamcar] Were they Slovenes, or did you also cooperate with others?

[Jansa] I will not answer that question either.

[Stamcar] How did you eavesdrop on the JNA officers? We are interested primarily in the eavesdropping that resulted in the document that you distributed to journalists in Koper at the time of the army's departure.

[Jansa] In contrast to what has been written recently, that we supposedly intercepted telephone conversations, I have to emphasize once again that these were not telephone conversations of any kind, but rather conversations through military radio communications, which are enciphered. We were able to listen in on those conversations because we obtained some army equipment during the war, and because along with the OKOP plan, we also obtained all of their secret signals, the ciphers of the units and the commanders.... We intercepted the signals in the air, and, if you will, above territory that is not under any jurisdiction, i.e., at the border.

[Stamcar] We had the impression that in the "Koper material," you did not publish everything that you discovered by eavesdropping....

[Jansa] The standard for publication was that army figures familiar to the public were taking part in the conversations. There would not have been any sense in publishing conversations between officers no one had heard of, and conversations that dealt with insignificant things. The public is obviously familiar with Raseta, Avramovic, etc.

[Stamcar] We have the impression that in the present situation, demilitarization still cannot be expected very soon. In your opinion, what specific weaponry would Slovenia still need for the period following the federal army's departure from Slovenia?

[Jansa] First of all, I have to say that I do not agree with the opinion that demilitarization still cannot be expected for a long time. It is a process, not a one-time action, and during the past year Slovenia has done more in that area than numerous other states have in five centuries. Through the departure of the Yugoslav army, through the disbanding of its reserves, which included about 100,000 of our citizens, and through the fact that we will make a drastic reduction in the use of areas for military purposes, we have reduced the size of the military on our territory by at least 50 percent. In addition to this, we have cut the term of military service in half. We are adopting expert positions with respect to the future structure of defense. It is already clear now that that structure will not include a navy or air force as separate branches of the armed forces. The next steps will only be possible when Slovenia's national security is also dependent upon other instruments, and not only upon its own forces and power; thus, when it depends upon international treaties, it will be guaranteed through inclusion in an effective European security system...

[Stamcar] In NATO as well?

[Jansa] NATO is not interested in accepting new members.

[Stamcar] But if it were?

[Jansa] NATO's role is being redefined at this time. It is an institution in crisis, although it does not acknowledge that, since the foundations on which it was built no longer exist. To be sure, it was claimed in Rome that the alliance was necessary because the international situation was still unstable. It is not known what will happen to the Soviet Union, but it is already clear that the same foundations no longer exist for the organization of that military pact. Room is thus being made for the advocates of a European defense system, who are still cautious, because NATO is the only one that is organizationally and financially capable of handling the defense of this region. No one wants to criticize America, which, of course, is the one most interested in having the alliance survive. With the different picture of Europe that is emerging, however, other European states that are not members of that military alliance are also gaining an opportunity to participate more equally in a system of European collective security, which will have to acquire a military component and also include one for some time to come.

[Stamcar] Consequently, what kind of weaponry would Slovenia need, how many aircraft and what kind, how many ships...?

[Jansa] Defense of the sea will be based on coastal defense. The ground forces will probably have some helicopter units, which it needs for several different purposes, since a helicopter is a useful and effective weapon because of the configuration of the territory in Slovenia. It will also have some aircraft for training anti-aircraft defense, for support for the ground forces, and possibly for preventive control of the air space in peacetime. No one, however, is pretending that it is possible to defend Slovenia's air space with aircraft in wartime.

[Stamcar] What types of aircraft will you acquire?

[Jansa] As I have already stated, they would be mostly helicopters and multipurpose aircraft. That means that bomber and fighter squadrons are not included.

[Stamcar] Does that still mean that Slovenia will buy some supersonic aircraft?

[Jansa] No, it does not mean that.

[Stamcar] Will you also include mercenaries who have returned from the foreign legion in your ranks?

[Jansa] I must say that I do not know anyone from a "foreign legion" who is in TO now.

[Stamcar] What would be the ratio between professional soldiers and recruits in the Slovene army?

[Jansa] The number of recruits is determined by the length of military service and the size of a generation. That means 12,000 to 15,000 recruits per year; and in view of the length of military service, that means that we have about 7,000 military recruits performing military service at one time. We will need several thousand professional officers for training that contingent and for other staff functions, but at the same time it will also be necessary to employ professionals for individual military duties in anti-aircraft defense, mechanized battalions, and certain other services. This is because of professional requirements and because, in addition to being more effective, it is also substantially cheaper than training recruits to perform some duty for only 3 months.

[Stamcar] Does that mean that the ratio will even be 50:50?

[Jansa] Not at all. The special units that will not be part of what, in lay terms, is the infantry service, should be 10 to 15 percent of the entire contingent, but not all of them will be filled with professionals. There will also be people performing their military service in anti-aircraft defense units. Greater professionalism than was characteristic of the JNA is necessary, because greater effectiveness is necessary than in the JNA and because the period of military service is shorter.

[Stamcar] Who is it that signs for the defense ministry under denials in the media?

[Jansa] Just a few days ago I got a press representative for the ministry. Until now, announcements originated in the administrations that were affected by public reports, or in the staff, if they pertained to the entire ministry.

[Stamcar] A while ago we read Igor Bavcar's statement that the same commission should oversee both VIS [Security-Information Service] and Section 9.

[Jansa] I have not read that. I think that he did not say it. About a week ago, I participated in talks in the Assembly, where the authorities finally decided to change the decision of the Defense Commission to the effect that it would also have oversight powers, and Igor Bavcar explicitly supported that. At the beginning of this year, when we were adopting new systemic legislation, a serious professional discussion began between TO and the Ministry of Internal Affairs about the tasks of the army and the police; we compared the arrangement of the army and the police in parliamentary systems, and even at that time we agreed to propose solutions to the legislator that would ensure that the army and the police would be consistently separated. Even the present constitution separates the two, among other things because in the past the army was under federal jurisdiction, and the police were under republic jurisdiction.

[Stamcar] What is the difference between these services?

[Jansa] The military service operates within defense structures, and, of course, conducts intelligence operations against foreign armed forces; the counterintelligence service operates within its own defense or military structure to prevent information from flowing out. It does not have any authority outside those structures.

In the civilian service, the opposite is true. The separation is established by the constitution, namely by the same formulations, both in the Law on Internal Affairs and in the Law on Defense and Protection.

[Stamcar] But these would not be completely separate services?

[Jansa] No, of course not. Intelligence information has to be combined in the state leadership, since otherwise there is no point in having those services exist. They are intended for having the military leadership make the correct decisions. In Slovenia, before the war and during it information was also collected in a coordinating body, which then proposed decisions to the Presidency, the government, and the Assembly.

[Stamcar] What about the name "Section 9"?

[Jansa] I do not know; that name has never existed. It was an invention by Roman Leljak, which you all then adopted. There has never been a service with that name.

[Stamcar] Then what should we call that institution? What is its name?

[Jansa] It is the Security Administration, or, according to the law, the Security Organ.

[Stamcar] Is Slovenia preparing to establish one more intelligence service under the Foreign Ministry?

[Jansa] I think that Slovenia does not need such a service in the classical sense, and probably cannot support it. In this first place, this is because all of the important foreign policy information on the basis of which the state leadership then makes decisions is conveyed in public contacts, in diplomacy. In the second place, it is because, if you want to establish a comprehensive service to "cover" diplomacy, you need enormous resources and potential; you have to open your own networks of agents. That is impossible for a small state. Only the Israelis

succeeded in doing it, and that is primarily because they have people of their own faith in important positions in a majority of states.

[Stamcar] Didn't Yugoslavia have such a service?

[Jansa] Yugoslavia tried to establish such a service, and to a great extent (this has not yet been fully investigated) it was part of similar services of the East European countries. All sorts of things were coordinated within them.

[Stamcar] Is it true that you and Minister Bavcar are no longer on such good terms as you were a while ago?

[Jansa] That is being said primarily for two reasons. First of all, it is because of the recent polemics in connection with the security service and the medals that are pinned on in one service or another for merits; I view this as a part of military folklore and it seems normal to me. In the second place, it is because of party matters.

[Stamcar] Then it is not true that there is a dispute?

[Jansa] As far as I am concerned, no. But also, to the extent that I can speak for Bavcar, no.

[Stamcar] Does it seem to you that Demos has collapsed?

[Jansa] It has collapsed, and it no longer has a majority in the Assembly. I consider that the most accurate description at this time.

[Stamcar] In Cankar House, at the time of the split in the SDZ [Slovene Democratic Alliance], you hesitated at the time of Rupel's and Bavcar's departure; were you closer to Pirnat at that time?

[Jansa] At that time I was not closer to anyone. Realistically, it should be said that there was a 50 percent chance that the party would not split up to the extent that it did, and 50 percent that it would. I think that there were many subjective motives for the fact that the split occurred.

[Stamcar] And did you expect until the last moment that the party would not fall apart?

[Jansa] I did not expect it; I only strove for that.

[Stamcar] Have you already decided which party you will join now?

[Jansa] Not yet. At least for some time it will also stay that way; in the next term I would rather be in the opposition. There are many parties in Slovenia, not just two.

Croatia

Foreign Minister on EC Recognition Declaration

LD0401170792 Belgrade TANJUG in English 1557 GMT 4 Jan 92

[Text] Zagreb, Jan 4 (TANJUG)—Croatian Foreign Minister Zvonimir Separovic has stated that the Brussels declaration on the recognition of Yugoslav republics offers possibilities for recognition "but does not bind anyone".

In an interview to the Split daily NEDELJNA DALMACIJA, Separovic says that it is no longer necessary that the entire European Community discusses recognition. The important thing is that it has adopted criteria which are binding on all, he adds.

"Today, they are discussing Croatia. Tomorrow, this may relate to Catalonia, the Basque country and others", says Separovic.

In his opinion, each state can decide on its own which of the six Yugoslav republics it wishes to recognize. In this, the state in question may use the opinion of the arbitration commission of the peace conference on Yugoslavia, explains Separovic. He goes on to say that it may therefore happen that some country decides to grant recognition to Slovenia, but not to the other Yugoslav republics.

The Yugoslav Republic of Serbia probably counts on suceeding Yugoslavia in the way Russia has succeded the Soviet Union, but this means making calculations without Europe, says Separovic in conclusion.

Government Meets; Views Cease-Fire Agreement

LD0401214792 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 4 Jan 92

[Excerpts] During its session today, which was chaired by Dr. Franjo Greguric, the Croatian Government heard a report by Defense Minister Gojko Susak on the talks in Sarajevo, where an agreement on an unconditional cease-fire accord agreed to in Geneva on 23 November was accepted.

Having noted that the results of the cease-fire are obvious, the government confirmed that Croatia will consistently comply with the agreement and that it will immediately undertake all necessary preparatory work concerning the arrival of UN peace-keeping forces. It will also continue to work meaningfully at The Hague conference. [passage omitted]

The exchange of the Yugoslav dinar and the Croatian dinar, judging from a report by the monetary commission, took place virtually throughout all of Croatia without any major problems. The only difficulties encountered were in the areas involved in the war. The greatest attention of government members was focused on the draft of the agreement on economic cooperation

between the Republic of Croatia and the Republic of Slovenia. Doubts were not expressed over the controversial problems that exist, but by the formulation of this important document, which will be a model for similar agreements between other states emerging from the former Yugoslavia with European countries. Before it is finally agreed on, this draft will be discussed again with Slovene representatives. Only then will it be ready for signing.

Slavko Degoricia, the new minister for reconstruction, attended the government session for the first time.

Request for POWs To Dominate Talks With JNA

LD0401041792 Belgrade TANJUG Domestic Service in Serbo-Croatian 2121 GMT 3 Jan 92

[Text] Zagreb, 3 Jan (TANJUG)—A new round of talks on an exchange of prisoners will start next week between Croatia and the Yugoslav People's Army. Croatia is requesting about 5,000 people, but it only knows the precise names and whereabouts of 1,717 of them. It has launched an investigation concerning the remaining 3,810.

This statement was made at today's news conference in Zagreb held by the Government Commission for the Exchange of Prisoners. Croatia is insisting on the "all for all" principle and the centralization of the exchange. Croatia is also demanding that all its citizens who are doing their military service with the Yugoslav People's Army be immediately sent home. All activities concerning the exchange of prisoners are being conducted with help from the International Red Cross Organization.

Cease-Fire Ordered by Supreme Commander

LD0401082492 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 4 Jan 92

[Text] The head of the Supreme Command of the Croatian Army, Corps General Anton Tus, issued an order to all the commands to be passed on to their subordinate units and the entire staff of the Croatian Army.

The order reads that on 3 January 1992, at 1800 [1700 GMT], an absolute cease-fire and the cessation of all military activities on land, sea, and in the air, which will be strictly observed by all the commands and units of the Croatian army, comes into force.

It is strictly forbidden to:

—open fire over the front line, on aircraft in the air, and on vessels at sea or on rivers;

—undertake any kind of maneuvers of units or individuals with the view to moving the front line or take military action in the enemy's rear;

—reinforce forces in certain directions and bring forces from the rear with the view to reinforcing certain positions;

—return the enemy's fire;

—use the air space, sea or rivers for any kind of military action against the enemy side.

Full monitoring must be realized and opening fire must be prevented, as well as incidents of provocation by any armed groups or individuals who are not members of the Croatian Army, which have to be prevented by the use of the most severe measures.

Slavonian Official: Serbs Will Respond to Attacks

LD0401171292 Belgrade TANJUG in English 1602 GMT 4 Jan 92

[Text] Erdut, Yugoslavia, January 4 (TANJUG)—Assistant Defence Minister of the Serb region of Slavonia, Baranja and western Srem Mihajlo Zoric told journalists on Saturday that the region's defence ministry would "strongly respond" to all armed provocations by paramilitary forces of the Yugoslav Republic of Croatia.

Zoric voiced doubt that the Croatian side would observe the 15th ceasefire, signed through the mediation of the United Nations in Sarajevo last Thursday. A complete ceasefire on the battlefields in Croatia took effect at 6 P.M. local time on Friday. The region of Slavonia, Baranja and western Srem, and the Knin Krajina proclaimed the republic of Serb Krajina within Croatia's administrative borders on December 19.

The Serbian population in the two regions, dissatisfied with Croatia's decision to secede from Yugoslavia, have thus proclaimed a new federal unit. Zoric said that even fiercer attacks by Croatian paramilitary forces might be expected in Slavonia. He warned that the Croatian forces were deploying strong armoured and artillery units along the river Drava from the directions of Osijek, Belisce and Valpovo.

Only minutes after the latest ceasefire took effect, the Croatian side fired shells on the villages of Darda and Bolman in western Slavonia. An Orthodox church in Bolman was hit in the attack, said Zoric.

'Republic of Krajina' Issues Statement

AU0401170292 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 4 Jan 92

[Danko Peric report from Knin]

[Text] The Republic of Serbian Krajina accepts the deployment of the UN peace forces aimed at securing peace in Yugoslavia. However, this should be done in a way that does not endanger the interests of the Serbian people in Krajina. Therefore, our main stand concerning the way the peace forces should be deployed remains the same. It amounts to our acceptance of the peace forces in

the zone between the aggressor forces of Croatia and the defense forces of Serbian Krajina and Yugoslavia, and thus the protection of the Serbian people and the Republics of Serbian Krajina from the Croatian aggression. This was stated in a communique that has just been issued following the publication of the contents of the concept on the deployment of the UN peace forces in Yugoslavia by the Republic of Serbian Krajina and signed by its president, Milan Babic.

Armed clashes (?on the Lika front) near Gospic stopped yesterday about 1920 [1820 GMT], (?some 80) minutes after the truce was supposed to take effect on all battlefields. Croatian artillery attacked the Serbian villages of Pocitelj and Medak at 1500. The attacks by Croatian artillery had not stopped by 1800. They were even fiercer. Except for damaging several houses in these Serbian villages, the attacks did not have any great effect. There were no casualties among the defenders of Krajina. There were no new armed provocations last night.

The planes that set off in the direction of Knin last night after 1800, and because of whom there was an air alert in this town, opened machine gun fire on the village of Otisic, the (?furthest) Serbian village on the way to Split, on two occasions. The agricultural planes adapted for war operations were inaccurate. The defenders of Krajina put up fierce resistance against the Croatian Air Force.

Rejects Vance Proposals

LD0301190692 Belgrade TANJUG in English 1638 GMT 3 Jan 92

[Text] Belgrade, January 3 (TANJUG)—The peace plan proposed by United Nations (U.N.) envoy Cyrus Vance is not acceptable to the Republic of Serb Krajina, president of the parliament of this republic Mile Paspalj said today.

The Republic of Serb Krajina was recently proclaimed in three regions of Croatia by the Serbs who make up the majority population there as a reply to the secession of this Yugoslav republic.

"It is not true that Vance's peace plan is accceptable to everyone," Paspalj told a convention for a new Yugoslavia which is underway in Belgrade. "We shall consider the disarming of Krajina and the arrival of peacekeeping forces as an act of violence," Paspalj said and added that "no-one can decide in the name of the Serb people in the state territory of Krajina and its organs of authority."

Vance's peace plan was accepted on December 31 last year by the Republic of Serbia and the Yugoslav People's Army (JNA), and Croatia also agreed to it on January 1st. Under the proposed plan, around 10,000 peacekeeping troops of the world organization would be deployed in U.N. protected territories of the Republic of Croatia. These are territories in Croatia where Serbs are the majority population or make up a significant minority, and were armed conflicts have been underway for six months.

Babic Statement Reported

LD0401220392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1514 GMT 4 Jan 92

[Text] Knin, 4 Jan (TANJUG)—In connection with a decision by the SFRY Presidency agreeing to the UN peace-keeping concept in Yugoslavia, and with the publishing of this concept, we are astonished that Cyrus Vance, the UN secretary general's personal envoy, was not given a chance to hear our view on the deployment of UN peace-keeping forces, Milan Babic, president of the republic of Serbian Krajina, stated today.

The republic of Serbian Krajina accepts the deployment of UN peace-keeping forces and the establishment of peace in Yugoslavia, but in a way as not to threaten interests of the Serbian people in Krajina. Hence, our basic stance regarding the method of deploying peace-keeping forces has remained the same. We accept the deployment of peace-keeping forces in the area between the Croatian aggressor forces and the defender forces of Serbian Krajina and Yugoslavia. In that way, protection of the Serbian people and the republic of Serbian Krajina from Croatian aggression will be ensured.

We do not understand the attitude of some members of the SFRY Presidency from Serbia and Montenegro that it is necessary to withdraw all Army units from the republic of Serbian Krajina, given the fact that Serbian Krajina voiced its decision to remain in Yugoslavia and that its decision was accepted by the Convention on a New Yugoslavia.

It is completely unacceptable and insulting for the Serbian people in Krajina that the territory of the republic of Serbian Krajina should be labelled as part of the Republic of Croatia, because it is not true, the statement stresses.

With regard to the internal system and the protection of public peace and order, we should like to recall that this issue falls within the exclusive responsibility of the republic of Serbian Krajina, and nobody can restrict that right in any other way. We have to express our disagreement with the concept that legal armed forces of the republic of Serbian Krajina should be disarmed, while the proposed concept does not envisage disarmament of the Croatian Armed Forces, and the Croatian National Guard is considered a legal army of the Republic of Croatia, which raise the possibility of further reinforcement and armament.

We appreciate Cyrus Vance's efforts to reestablish peace and expect him to heed our remarks and propose additional guarantees to Serbian Krajina so it will not be exposed to Croatian aggression, and so the Serbian people will not be exposed to a repeated genocide. We shall seek protection of our rights from the Republics of

Serbia and Montenegro, the United States, and the Russian Federation, the statement says in conclusion.

Serbia

Draskovic Orders Reservists To Stop Fighting

LD0501043992 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 4 Jan 92

[Text] Vuk Draskovic recently sent leaflets to Serbian reservists on the East Slavonia front, some of which were blown by the wind as far as the Croatian Army positions on the Bosut River frontline. The present regime in Serbia has become a hostage in the hands of communist generals, Vuk Draskovic says in this leaflet, dissociating himself with dismay from the Yugoslav People's Army actions, and especially from the attacks on Sibenik, Dubrovnik, Osijek, and Vinkovci. The present Serbian authorities are doing all they can to put off peace time, because peace signals the end of the communist regime in Serbia, Vuk Draskovic says, calling on the reservists to refuse obedience to communist generals and to go back home.

Party Leader Sees 'Reduced Yugoslavia' Solution

LD0401030192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1635 GMT 3 Jan 92

[Text] Belgrade, 3 Jan (TANJUG)—Dr. Vojislav Seselj, leader of the Serbian Radical Party, stated at the Convention on Yugoslavia today that the most meaningful solution is a "reduced" [skracen] Yugoslavia composed of six federal units.

According to Seselj, this "reduced" Yugoslavia would be composed of Serbia, Montenegro, Macedonia, Bosnia and Hercegovina, the Republic of Serbian Krajina, and perhaps the Dubrovnik Republic.

Seselj said it would be a democratic federation with a two house parliament.

Magyar Leader Asks for UN Minority Protection

LD0501204792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1705 GMT 5 Jan 92

[Text] Belgrade, 5 Jan (TANJUG)—Andras Agoston, chairman of the Democratic Community of Vojvodina Hungarians, has sent a letter to UN Secretary General Butrus Ghali and to his special envoy, Cyrus Vance, asking for protection for his 25,000 compatriots who have left Yugoslavia to avoid military conscription.

In his letters to Ghali and Vance, which are similar in content, Agoston demands that "a solution be found" in the UN peace plan for the Hungarians "who have fled the horrors of war and forced mobilization, in most cases, together with their families," and who are now afraid to return in case they are "made accountable to the military."

Agoston claims that "that this is not a case of lack of civic loyalty." They simply did not want to take part in the civil war. Because the people involved account for seven to eight percent of the population [Hungarian population in Vojvodina], he believes that this situation could be referred to as "a change in the national composition of the population by force, and this is forbidden by UN documents."

The chairman of this political party of Vojvodina Hungarians demands that the peace plan "make it binding on the Republic of Serbia" to invite, "in an apropriate way," all its citizens who have moved out, including the 25,000 Hungarians, "to return home and guarantee that they will not suffer any harm because they left."

In his letter to Ghali and Vance, Agoston points to "the tragedy of the Hungarians in Croatia, that is in Baranja and Slavonia, who were mobilized by the Croatian authorities. After Baranja was taken, nearly all of them ran away." After Baranja was taken, that is, after Baranja was liberated, according to Agoston, "the new Serbian authorities virtually forbade them to return."

Information Law No Danger to Hungarian Broadcasts

LD0401000992 Budapest Kossuth Radio Network in Hungarian 1500 GMT 3 Jan 92

[Text] Radio Novi Sad has broadcast a Hungarian-language program continuously for nearly a quarter of a century. A new information law has now come into force in Serbia, but the Hungarian-language broadcast is not in danger. Istvan (Jakops), deputy chief editor of Radio Novi Sad's Hungarian broadcast, spoken to Vilmos V. Kovacs about the change:

[Begin recording] [(Jakops)] For the time being, the founder has not raised the prospect of any restriction regarding radio, and I hope that this is how it will remain. We have difficulties, primarily that the circumstances are not satisfactory; however, I believe that for all that, sobre reason will, nonetheless, gain the upper hand, that this war, which to date was meaningless anyway, will end, and that a political solution will be found that will be advantageous for all sides.

[Kovacs] Are the listeners satisfied with the programs? What reactions do you get?

[(Jakops)] Our listeners are satisfied. They also believe us, because we act on the basis of the internal code of conduct accepted at radio, which means that we are willing to transmit only that information that is objective and impartial, and we do not assent to anyone exercising influence on us from the outside, inside, or anywhere without justification, without reasons. I can say that, to date, there has not been any example of this, either. [end recording]

Recognition of Serbian Krajina Republic Discussed

92BA0270A Belgrade BORBA in Serbo-Croatian 16 Dec 91 p 2

[Article by S.P. Stamatovic: "Will Serbia Recognize the 'Serbian Krajina Republic'? Krajinas Under the Government Today?"—first paragraph is BORBA introduction]

[Text] As early as today the Serbian Government could place on the agenda the declaration proposed by three representatives on the recognition of Serbian krajinas, so the "business" is finished before the international recognition of Croatia and Slovenia.

Belgrade—On the last day of last week's assembly meeting, the government supported and the representatives accepted a proposal to insert into the agenda of the next assembly meeting, on an urgent basis, a proposal for issuing a declaration on recognition of the Serbian Krajina Republic. We are learning that the Serbian Krajina Republic will be on the agenda at today's meeting of the government. On this occasion we asked for a statement by the minister for Serbs outside Serbia, Stanko Cvijan. However, he says that, before the government meeting and a broad discussion, he does not want to make an assessment of such a political decision that, like all others, should be made "wisely and gradually."

The declaration on the recognition of the Serbian Krajina Republic was also proposed, by the way, by representatives of the People's Party and the SDS [Serbian Democratic Party] Milan Paroski, Dragoslav Petrovic, and Dr. Tode Vojvodic. It is said in the declaration that the historical right of the Serbian people residing in the historical kingdoms of Dalmatia and Slavonija, in the historical Serbian territories of Banija, Lika, Kordun, and Krajina, as well as in today's regions of the Serbian people in Bosnia-Hercegovina, and in accordance with the UN Charter on the Rights of Man and Citizens and with the Constitution of the SFRJ on the right of a people to self-determination, is a sufficient basis for the recognition of the Serbian Krajina Republic and for equal national unions of the Serbian people with the other republics of the SFRJ.

The explanation particularly cited the right of the Serbian people to special statehood expressed in referendums held in Serbian historical territories on remaining in Yugoslavia.

The need for supporting and recognizing the independent Serbian Krajina Republic was explained by Milan Paroski at a press conference with the fact that the European countries will recognize an independent Croatia and Slovenia, so the Serbian people in western parts of Yugoslavia will find themselves in the role of a minority and secessionist people, and reprisals will take place as a result.

The declaration seeks that the Republic of Serbia be supported in all diplomatic-economic communications (the UN, the European Security Conference, the Hague conference) and that the nation of the Serbian people be recognized as an equal participant in negotiations. Its legally elected organs of the Serbian Krajina Republic and its regions, the SAO [Federal Autonomous Region] of Krajina, the AO [Autonomous Region] of Slavonija, Baranja and western Srem, the SAO of western Slavonija, and the Krajina in Bosnia-Hercegovina would be represented.

The declaration on the recognition of the Serbian Krajina Republic should be on the Assembly's agenda as early as tomorrow, probably depending on what the government will say at today's meeting.

Kosutic Views EC Sanctions, Croatian Recognition

92BA0244A Belgrade BORBA in Serbo-Croatian 5 Dec 91 p 5

[Article by S. Pokrajac Stamatovic: "Recognition of Croatia Seen as a Continuation of War"—first paragraph is BORBA introduction]

[Text] Serbian Deputy Prime Minister Budimir Kosutic assessed the economic sanctions against Serbia and Montenegro as measures against peace, and the possible international recognition of Croatia as an announcement of new military conflicts.

Belgrade—"The government of the Serbian Republic has considered the situation after the EC's decision on the selective application of sanctions against Serbia and Montenegro, and has noted with regret that the European Community has continued its policy of violating all internationally recognized documents, and even its own documents. The latest decisions clearly demonstrate that many countries which are members of the EC do not act like impartial entities. The development of events will show that in that way it is not possible to guarantee peace, well-being, and any lasting order, if it is based on the right of the stronger," stated Deputy Prime Minister Budimir Kosutic, commenting on the EC's latest decisions, at the Serbian government's press conference yesterday.

"The government of the Serbian Republic is preparing several activities aimed at reducing the significance of the economic measures and their unfavorable effects, which the EC has undertaken against Yugoslavia, or Serbia and Montenegro, contrary to international law. Our principle is that we still want an open market and free trade in goods among the Yugoslav republics and with anyone else," explained Kosutic, emphasizing that it was completely clear that the UN's role could not be bypassed, and that the measures would not mean the end of Serbia's participation in the Hague conference.

Speaking about the consequences for the Yugoslav federation of international recognition of Slovenia and Croatia, Kosutic expressed his confidence that Germany, Italy, and Austria would not undertake such an

action contrary to international law; nevertheless, if that law were violated and recognition took place, particularly of Croatia, "with which we have borders," that would be tragic for everyone and could lead to a further escalation of the conflict, new casualties, and losses of life.

Commenting on the report by European observers from the battlefields in Croatia which indicated that the JNA [Yugoslav People's Army] was the main culprit and that it was fighting to gain its own positions, Kosutic said that he had not seen it, and that he did not believe that it was a report from the EC, but rather from a smaller number of biased members of the EC mission, with its headquarters in Zagreb, and so he did not believe that it was authentic. Regarding Gianni de Michelis and his alleged insistence that Montenegro not be on the list for sanctions, Kosutic said that De Michelis was known for giving different statements on the same day, and so one did not know which of his statements could be believed.

In response to a question about how he would comment on Cyrus Vance's statement that he had received different information from the JNA and the Croatians, Kosutic stated the opinion that the interpretation of Vance's statement was incorrect, in view of the experience and reputation of Mr. Vance, who did not want to be biased, and who was a person for offering his good services. Kosutic emphasized that there were obviously differences within the EC, and that it would be good if the EC did not have a negative effect upon the UN's activities. He assessed the role of Dutch Minister Van den Broek in terms of the latter's cooperation with Mr. Genscher, who would gain a prominent place in the history of diplomacy.

As far as the arrival of the "blue helmets" is concerned, the Serbian deputy prime minister said that the governments of the neighboring countries, especially those whose troops had participated directly or indirectly in genocide against the Serbian people, should not send their troops as part of the "blue helmets."

Trade Firm Head Discounts EC Sanctions' Effects

LD0301215892 Belgrade TANJUG in English 1525 GMT 3 Jan 92

[Text] Belgrade, Jan 3 (TANJUG)—General manager of the foreign trade company Progres of Belgrade Mirko Marjanovic maintains that the Serbian economy will function despite the difficulties resulting from European Community sanctions.

A 3.5-billion-dollar agreement on economic cooperation with Russia will ensure the necessary quantities of oil, gas, coal and intermediates for the Serbian metalworking and chemical industries, Marjanovic says in an interview published in the New Year issue of the Belgrade daily POLITIKA EKSPRES.

He claims that the current blockade of Serbia will not endanger a five-year contract on delivering 5,000 tank wagons to the French railways, which Progres concluded for the wagon factory of Kraljevo for an estimated 350 million dollars. The company also counts upon continuing cooperation with partners in the United States, Germany and other industrialized countries, says Marjanovic.

Last year, Progres earned 200 million dollars from exports to France, 100 million from exports to the United States and another 300 million from exports to Germany.

Bosovic: Government To Focus on Market Economy

LD2912154991 Belgrade TANJUG in English 1406 GMT 29 Dec 91

[Text] Belgrade, Dec 29 (TANJUG)—Premier of the Yugoslav Republic of Serbia Radoman Bozovic has stated that his cabinet has no other alternative but to focus on market economy.

In an interview published today by the Belgrade daily VECERNJE NOVOSTI, Bozovic says that "the market cannot be introduced by a decree" and that the introduction of a market economy "is a process which must take place in enterprises and entrepreneurship".

Serbia's new government was elected earlier in the week, following resignation of Premier Dragutin Zelenovic some ten days ago. Bozovic claims that his cabinet has no ambitions of taking the post of "general manager of the Serbian economy". The government will try to intervene by stimulating the process of transformation of ownership in firms, he explains. He goes on to say that in addition to ownership, financial and managemen, changes in enterprises, the government will also focus on resolving the republic's social problems.

In another interview published by the Belgrade daily POLITIKA today, Bozovic says that Serbia will not accept the logic of closing its economy to Europe "because of political blackmail by some European Community countries and European institutions".

Commenting on E.C. economic sanctions, he expresses hope that "many European countries will in practice refrain from accepting Germany's ultimatum to Yugoslavia and to Serbia and Montenegro".

In order to attract foreign investors, says Bozovic, Serbia will guarantee security to foreign investment, stimulate cooperation with foreign firms and prepare new capital development projects. In conclusion, the Serbian premier says that the government will ingest every effort to prevent the pressure which Germany and some other European countries are exerting on Yugoslavia from "becoming common practice ... and creating a gap between Europe and Serbia".

Reasons for Zelenovic Resignation Discussed

92BA0258D Zagreb VJESNIK in Serbo-Croatian 14 Dec 91 p 8

[Article by Ivkica Bacic: "Zelenovic as Bait?"]

[Text] Belgrade—Does the resignation of Dragutin Zelenovic, Serbian prime minister, signify his flight from the war (as he left, he supposedly said to his fellow Socialists, former Communist Party members who are quite isolated from the public, that he is a prime minister "for more peaceful times"), and is this perhaps the logical consequence of his rather obstinate refusal to essentially reconstruct the government ("I have confidence in the present membership"), or on the other hand is this the anticipated finale of a government which even when it started in February was truncated (lacking a minister for science and technology), thereafter losing several ministers one after the other, and then two deputy prime ministers also turned their back on Zelenovic?

Will the Opposition Take the Bait?

Everything related to this resignation is in the realm of speculation, especially because the prime minister himself shook his head in the parliament, refusing to offer any reasons whatsoever. Nevertheless, the most likely possibility seems to be that "Zeleni" (the former prime minister's nickname) was sacrificed, that this, then, was yet another of Milosevic's maneuvers meant to quiet down the opposition which has once again come awake after several months. Whether the opposition, which is right now preparing for yet another unification and is announcing more loudly than ever a collective exodus from the parliament, will swallow Milosevic's bait will be known next week, which is when the debate is scheduled on the motion of deputies of the Serbian Renewal Movement [SPO] for formation of a six-month transitional government that would schedule elections for a constitutional assembly and local bodies of government. If something like that occurs, but the chances are very slight, because of the absolute superiority of the Socialists in the parliament if for no other reason, the opposition would win a victory it would not know what to do with, that is, which would take it back exactly where it was a year ago when it requested the same thing, and the top leader looked down from Dedinje and vigorously refused.

Milosevic Wants To Share Responsibility

Those who are better-informed about the events behind the Serbian political curtain say that things are extremely hot there, that something is really cooking. It is not logical at all, runs the gossip in the corridors, for the prime minister to leave (along with his entire cabinet) at the moment of adoption of an entire package of new measures and tax laws which presage a radical tax reform, so radical that all government expenditures are actually being passed on directly to the public. There is no doubt whatsoever that the people will be unable to withstand that, for all the reference is to a finally "unified and erect Serbia." Which accounts for the speculation that before the foreseeable outburst of social rebellion Milosevic wants to share responsibility with someone by bringing at least a part of the opposition into the new government. This would at the same time break up the opposition, which itself is already constantly stumbling over the demand of Draskovic's followers for a definitive exodus from the Assembly in order to bring down Milosevic from outside the parliament, which Dragoljub Micunovic's Democrats have been constantly opposing with their "don't rock the boat too much" policy.

Jovic or Bozovic?

While the speculation continues of whether Zelenovic's seat will be taken by Dr. Borisav Jovic, member of the Presidium of "SAO [Serbian Autonomous Oblast] Yugoslavia," or perhaps by Dr. Radoman Bozovic, Vojvodina prime minister already armed with some 20 or so offices (those two names are mentioned most frequently in the corridors), one thing is certain—Zelenovic's departure signifies a confrontation of the real results of the one-year rule of the Socialists, who promised the people peace, but led them into a war that they absolutely will not give up, because, as Milosevic said this week on behalf of that people, "we have no other choice."

Bozovic Nomination to Prime Minister Post Viewed

92BA0276A Belgrade POLITIKA in Serbo-Croatian 18 Dec 91 p 5

[Article by R.R.: "Dr. Radoman Bozovic, the New Prime Minister"]

[Text] The Serbian National Assembly last night received a letter from Slobodan Milosevic, in which the president of the republic, on the basis of his constitutional powers, nominates Dr. Radoman Bozovic to the deputies as the new prime minister.

"In the office of chairman of the Executive Council of the Vojvodina Assembly, Dr. Radoman Bozovic has shown himself to be a very capable economics specialist and an effective administrative chief. Under the exceptionally unfavorable circumstances, he has effectively resolved a number of serious economic problems, he has significantly corrected the attitude toward agriculture and the peasants, and in the area of social welfare he has seen to it that everything functions in regular fashion, so that this year it is only in Vojvodina that pensions have not been late," Slobodan Milosevic said in his letter.

"I believe that he will in practice set high standards concerning competence and operating efficiency in the interest of the republic both for members of the government and the entire government administration and offices within the responsibility of government bodies.

"The choice of Radoman Bozovic for the position of prime minister should be an example and incentive for

attainment of the most responsible positions in government and the economy by young people.

"I send this nomination to the National Assembly in the firm conviction that Dr. Radoman Bozovic will be a successful and effective prime minister," the letter of the president of the republic concludes.

Dr. Radoman Bozovic was born in 1953 in Sipacno. He graduated from high school in Vrbas and went on to take his degree in the School of Economics at Subotica University in 1975. He took a master's degree in the School of Economics at Belgrade University in 1978, and he obtained his doctorate in socioeconomic sciences in the School of Law at Belgrade University in 1981.

Since 1989, by election of the Assembly of AP [Autonomous Province] Vojvodina, Dr. Radoman Bozovic has been Vojvodina prime minister. He is a member of the Commission for Reform of the Economic System of the Presidency of the Republic of Serbia, chairman of the Council of the Fund for Economic Development and Restructuring of AP Vojvodina, and a member of several working bodies in AP Vojvodina and the Republic of Serbia. In December 1990, he was elected deputy to the National Assembly of Serbia. He is a full professor at Novi Sad University.

Appointment of Vojvodina Daily Editor Criticized

92BA0244B Belgrade BORBA in Serbo-Croatian 10 Dec 91 p 7

[Article by Z. Serences: "Imposition of an Unknown Person"—first paragraph is BORBA introduction]

[Text] Reactions to the appointment of the editors of several daily newspapers in Vojvodina; "The offensive appointment of a person who did not receive a single vote in the referendum—and who is anonymous in journalism—as the editor of MAGYAR SZO is unacceptable," according to one of the reactions.

Novi Sad—"The appointment of the chief editors of newspapers in the province by the illegitimate one-party provincial Assembly, against the will of their work collectives, is only one in a series of undemocratic steps by the ruling party," thinks the Democratic Party's regional committee in Novi Sad. The reaction also states:

"The action is particularly unacceptable in the case of the media of the ethnic minorities, because it can cause interethnic tensions and conflicts that are least of all necessary and desirable to all of us at this time. The Democratic Party is opposed to such brutal methods and demonstrations of power, and advocates complete freedom of the press, which will also lead to completely objective reporting."

A similar reaction came from the Alliance of Reform Forces of Yugoslavia for Vojvodina, which also feels that the Vojvodina Assembly has "once again misused its one-party composition for an unobjective and one-party approach in analyzing the editorial policy of the public media."

Also unacceptable, it is also announced, is such an aggressive imposition, as chief editor of MAGYAR SZO, of a person who did not receive a single vote in the referendum and who has not left behind any noticeable traces of journalistic work.

An announcement was also issued by the main committee of the League of Social Democrats of Vojvodina of Yugoslavia, which emphasized, among other things: "The frequent replacement of editorial staffs in the Vojvodina media, especially in the languages of ethnic minorities, and the real scandal over the imposition of a person who is unproven in journalism, and even unknown, as the chief editor of MAGYAR SZO, is a decision by a one-party Assembly and proof of its servility toward the Serbian Socialist Party in forming public opinion exclusively in accordance with the 'views and opinions' of the ruling party."

[Box, p 7]

Conflict Between Ethics and Authorities

"In connection with the repeated assault by the nonexistent authorities, the nonexistent autonomous province, upon MAGYAR SZO and HLAD LJUDU, we want to point out several facts which confirm our previous assessment, but also indicate new tendencies to blame journalists in their news media, those where people still believe in freedom of the press, for the unpopularity of their policy, especially among numerous Vojvodina ethnic minorities. An attempt is being made to shift the conflict between professional principles and ethics and the authorities onto purely ethnic ground, which, as we have already seen, can be very dangerous for Vojvodina," states the announcement from the managing committee of the Independent Society of Vojvodina Journalists, which also adds, "If there is not a single one among the journalists of an ethnic minority which allegedly enjoys full rights in whom the authorities would have confidence, then the problem is not in those journalists, but in the authorities themselves."

Bosnia-Hercegovina

Press Says Republic Key to 'New Yugoslavia'

LD0501143192 Belgrade TANJUG in English 1329 GMT 5 Jan 92

[Text] Belgrade, Jan 5 (TANJUG)—The Sarajevo daily OSLOBODJENJE today assesses that the convention on new Yugoslavia, which was signed by representatives of 105 pro-Yugoslav parties and associations on Friday, did not answer the key questions about the country's political future. The Belgrade gathering was initiated by the Democratic Party of Federalists and another ten parties of the Yugoslav Republic of Bosnia-Hercegovina.

The chief Bosnia-Hercegovina daily concludes that "little can be seen" of new Yugoslavia, "except, of course, if it does not imply a greater Serbia." OSLOBODJENJE adds that part of the public will be against the gathering "just because it is organized in Belgrade, i.e. in Serbia, and, simply, nothing done in that part of the country is accepted."

Assessing that such reactions can be expected in the next few days, the daily writes that "some will say that a new Yugoslavia is inevitable and will for this reason ardently support such an initiative, while others won't, because they have earlier and forever given up on Yugoslavia, even a new one."

In its text entitled "Bosnia Holds the Keys", the Belgrade daily VECERNJE NOVOSTI notes that some of the key actors of the Yugoslav political stage did not attend the convention. In that context, the daily first mentions Alija Izetbegovic, Bosnia-Hercegovina Presidency president and leader of the Party for Democratic Action (SDA), which rallies the largest number of Moslems in this republic.

The daily quotes Gojko Djogo, member of the Democratic Party of Serbia, who said that "representatives of the Moslems had some 50,000 representatives of this people at the gathering on the convention, while Alija Izetbegovic, who is for the moment supported by some 1.8-1.9 million Moslems, was not present".

VECERNJE NOVOSTI correspondent from Sarajevo reports that the Bosnia-Hercegovina media "tried to minimize the importance of the participants and political parties going to Belgrade even several days before the convention." The correspondent notes that the Sarajevo TV reported about the Belgrade gathering, laying stress on the "extremist stands of certain convention participants".

Chance To Preserve Peace Deemed 'Ever Smaller'

AU0501220192 Belgrade Radio Belgrade Network in Serbo-Croatian 0900 GMT 5 Jan 92

[Ljubomir Nikolic report from Sarajevo]

[Text] The New Year holidays have not stopped political activity in Bosnia-Hercegovina, nor have they reduced tension and strain. (?Despite) the truce signed in Sarajevo, representatives of the three peoples, each side by itself, have taken advantage of these days for coming closer to their own aim of fulfilling their wishes and plans.

Alija Izetbegovic played host to Cyrus Vance. Radovan Karadzic and Stjepan Kljujic also had talks with the American diplomat. Ejup Ganic made a brief trip to Lisbon, and Haris Silajdzic went to Ankara. At the same time, Radovan Karadzic and the group of leaders of a score of political parties worked on organizing the convention on Yugoslavia, while the heads of the Croatian Democratic Community committed themselves to realizing a plan on the self-organization of Croats in Bosnia-Hercegovina.

The new Yugoslav dinar is worthless in western Hercegovina. Everything is paid in Croatian money, and the practice has even been made official in (?Livno) by a Communal Assembly decision. In case this republic cannot remain a whole, a contingency plan for the secession of the Croat part of Herceg Bosnia and for its joining the Republic of Croatia has been prepared. People in the know say that an armed force of Croats of Bosnia-Hercegovina has been prepared for such a possibility. However, there is a problem in the fact that the territory of Croatian Herceg Bosnia includes some territories populated by Serbs and Muslims; so there is the question of how one could draw borders.

The Assembly of the Serbian People in Bosnia-Hercegovina is preparing a decision on proclaiming the Serbian part of the republic. We have learned unofficially that this may happen on Saturday, 11 January, most probably in Banja Luka.

Although they believe Europe will recognize an independent Bosnia-Hercegovina, Alija Izetbegovic and his Party of Democratic Action certainly have a plan in case this does not happen, particularly because they are aware of the plans and intentions of the two other national parties and these parties' resolution to realize them. True, Izetbegovic is still assuring the public that the best solution for Bosnia-Hercegovina is to remain a whole and, of course, independent, but Radovan Karadzic thinks the same, albeit in a different way.

While Alija Izetbegovic thinks that it is better for the Serbs in Bosnia-Hercegovina to live in an independent Bosnia than in a Greater Serbia, Radovan Karadzic favors an entire Bosnia-Hercegovina only within Yugoslavia, whatever the size of that Yugoslavia. If the opposite happens, he demands a confederalization of Bosnia-Hercegovina. Thus, the leading politicians of Bosnia-Hercegovina have failed to change their so opposed stands in these last seven days either. So far their negotiations have come to nothing, and our predictions that one should not expect much of them have proven justified.

The fact that the Serbian side has offered negotiations confirms Karadzic's claims that the Party of Democratic Action and the Croatian Democratic Community have been procrastinating on the talks, expecting Europe's decision on recognizing the independence of Bosnia-Hercegovina. However, the people who are deciding about this republic's fate and the peace or war in it seem not to be aware of the fact that one should negotiate and come to some understanding in any case. They seem not to be concerned about the possibility of about 100 lives being lost [words indistinct] euphoria and opposing reactions, not to speak of (?later) consequences. It is fully certain, that in such a heated atmosphere, no decision made by anybody outside Bosnia-Hercegovina could

ensure peace and security. It can only start a fire that would be hard to extinguish.

Instead of seeking the help of other politically important people in Bosnia-Hercegovina and considering the real state of spirits and intentions of each one of the three constituent peoples and thus offering a rescuing formula for the (?status) and future of Bosnia- Hercegovina, Alija Izetbegovic, Radovan Karadzic, and Stjepan Kljuic are [words indistinct] their peoples and territories. In this way, agony and uncertainty are prolonged, and the possibility of preserving peace is becoming ever smaller.

Republic's Serbs Not Agreeable to Separation

LD0501045992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1113 GMT 4 Jan 92

[Text] Titograd, 4 Jan (TANJUG)—Bosnia-Hercegovina has no chance of becoming independent and of separating from Yugoslavia, said Radovan Karadzic, chairman of the Serbian Democratic Party, in an interview to SLOBODA published in Ivangrad.

Bosnia-Hercegovina is a republic of three equal national communities. Consensus would be needed for its separation from Yugoslavia, he underscored. "The Serbs in this republic will never consent to the secession of Bosnia-Hercegovina, so it will remain in Yugoslavia," stressed Karadzic.

In reply to the question on the status of Croats and Muslims, Karadzic said that the best thing for them would be to remain in Bosnia-Hercegovina because, he thinks, all Muslims throughout the SFRY will be sovereign and equal. [sentence as received]

"If anyone should benefit from remaining in Yugoslavia, it should be the Serbs and Muslims, because they are most widely spread and scattered throughout Yugoslavia. I believe that the whole of Bosnia-Hercegovina will remain in Yugoslavia. If a part wants to walk out, it would only be a small part," concluded Karadzic.

Izetbegovic To Propose Association of States

LD0401163992 Belgrade TANJUG in English 1511 GMT 4 Jan 92

[Text] Sarajevo, Jan 4 (TANJUG)—President of the Yugoslav Republic of Bosnia-Hercegovina Alija Izetbegovic has announced in an interview to the Sarajevo daily OSLOBODJENJE that he will soon propose a new plan for setting up an association of former Yugoslav republics.

Izetbegovic on Thursday informed about his plan special envoy of the United Nations secretary-general Cyrus Vance. Under the plan, the association would consist of independent states mutually linked with strong ties.

Bosnia-Hercegovina would enjoy a special status within the new association in order to avoid possible political instability. The republic should have special ties with Serbia and Croatia, including a passport- and customs-free border on both sides. Izetbegovic says this is "the law of survival" of the republic.

Bosnia-Hercegovina is an ethnically mixed republic where Moslems account for 43.77 per cent of the population, Serbs for 31.46 per cent and Croats for 17.34 per cent.

Radovan Karadzic, leader of the republic's Serbian Democratic Party (SDS), says in an interview carried by the Ivangrad daily SLOBODA that conditions do not exist for Bosnia-Hercegovina to become an independent state and to secede from Yugoslavia. The SDS shares power in the republic with ethnic parties of Moslems and Croats.

Bosnia-Hercegovina is a republic of three equal ethnic communities ... it can secede from Yugoslavia only if consensus on this issue is reached ... and Serbs in Bosnia-Hercegovina will never accede to this, stresses Karadzic.

Article Views Threat of Famine in Republic

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[Article by Ejub Stitkovac: "Famine Threatens Bosnia-Hercegovina: Bread Divided Into Crumbs"—first paragraph is BORBA headline]

[Text] Many are on the edge of an uprising, there are ever more users of the "People's Kitchen," and the ministers relate optimistic stories, which cannot help the ordinary citizen.

Sarajevo—War and hunger. Citizens of Bosnia-Hercegovina most often use these two words, which stick together so that no single national party can separate them. But all have promised prosperity, the Bosnians and Hercegovinians remember well. And as loud as they were then in offering illusions, they are equally powerless today to help the ordinary citizen.

The war has already been knocking on the Bosnian-Hercegovinian door for a long time. Many raids, robberies, and other incidents speak most eloquently about the extent to which the igniting of Bosnia-Hercegovina has neared through some factors from outside.

While war knocks on the door, in the words of many citizens of various professions, famine in the central republic is already there. True, high republic officials, in the main, do not agree with such opinions because, in accepting this fact, they would inevitably have to recognize their responsibility for the current situation. No one wants to recognize that communists are still guilty for everything, and Turks for some things.

The minister for the economy, Dr. Rashad Bektic, is very specific: Bosnia-Hercegovina is not threatened with famine. He recently said this at a meeting in Tuzla, criticizing those who represent such a theory, having sent

colleagues a pure political message that some businessmen are turning to Belgrade or Zagreb with a clear indication that they are tearing it up in this manner. These little "slaps" are really a substitute for an answer to the real question—is famine threatening Bosnia-Hercegovina?

Bad Things Are in Store for Us

Minister Bektic's opinion is also shared by the director of the Directorate for Commodity Reserves, Ibrahim Prses. He says for BORBA: "Famine is not threatening Bosnia-Hercegovina. First, because we have reserves for three months, as provided for by state laws. Second, the analysis is the decision of Serbia on the embargo on the export of food to our republic. If that had not been done, we would have adjusted. We would be ready to import goods and prepare resources, and we have had enough offers. Bosnia will withstand everything."

Ordinary citizens have a diametrically different opinion about this last statement. They usually say: "They can withstand everything up there, but bad things are in store for us. Imagine a family in which only one member worked and he was left without a job." We visited several like this in Sarajevo itself and its surroundings. One can hardly believe one's eyes. The problem is that few expected that "such black times would come," and people began late to set aside stocks of food. During visits with families that remained without any type of income, the words of the minister and the officials simply sound like crude jokes. They also know this in the Red Cross of Bosnia-Hercegovina, where many people come to seek assistance. A typical example is Bosanka Gradiska, which was on a very high level of development for years. According to information that we received for the past five months, more people turned to the Red Cross for help than in the past 50 years. As to the general situation in the central republic, we asked the secretary of the Presidency of the Assembly of the Red Cross of Bosnia-Hercegovina, Pera Butigan:

"Famine is already here. There are thousands of cases as proof of this, and the basic proof is that a large number of people come here every day to seek help. The dramatic social situation has also been caused by the fact that there are currently about 100,000 refugees in our republic from war areas, as well as another 100,000 members of families of military personnel who had to emigrate from Slovenia and Croatia. Do you know what 200,000 new people mean in a republic which before was barely making ends meet because of economic collapse? Famine has been knocking on the door of Bosnia-Hercegovina for some time and many people in the full sense of the word are starving here, whether someone wants to look the truth in the eye or not."

The Threatened in Numbers

These words are confirmed by information brought to us by Razija Simeunovic, senior associate for social and child welfare in the Ministry for Health, Work, and Social Policy. According to this information, about 500,000 people in Bosnia-Hercegovina receive some type of social welfare. The level of basic social assistance for the most threatened varies between 660 and 170 dinars, depending on the district. It is clear to all today that little can be bought with that money. About 58,000 people are using a welfare supplement to retirement that is less than 3,000 dinars. More threatened even than retirees are people who have been left without work and are finding themselves in employment offices. There are about 300,000 of them. This year another 60,000 workers could be left without work. Moreover, there is also information that over 100,000 households are exercising the right to minimum social security. These negative numbers are accumulating as far as the eye can see.

When just these few figures are viewed, then the question of a recipient of social assistance, incidentally a former reputable private businessman, "whom the state kept afloat earlier," is neither excessive nor surprising: How are the majority of the population surviving at all?

Humanitarian organizations are doing what they can in the face of all the difficulties caused by a lack of financial resources. A number of citizens are finding salvation in the kitchen of the Red Cross, better known as the "People's Kitchen." We asked its director, Hasan Kadric, how it functions under current conditions:

"The number of users of this kitchen, which gives 400 hot meals daily to people in difficulty, is steadily increasing. In addition, we give 200 packages of food monthly to those people who cannot come to the points where food is distributed—because of age or illness.

In addition to people who have been receiving this type of assistance for many years, more retirees have been turning to us of late who do not receive their pension payments regularly, as well as people who have been left without jobs and many others whom the current situation has placed in an untenable social position."

[Box, p 7]

Cold Radiators

The first big cold wave this December has shown the residents of cities in Bosnia-Hercegovina what kind of winter awaits them. The heating in the majority of cities does not function as it should, and there has not been any in certain quarters of Mostar at all. Students in many schools have left class early. Working time in many collectives has been shortened because the radiators in working areas are cold. As things now stand, there will be nothing better in coming months either.

In Sarajevo 16,000 residences are not heated, it was announced at the last meeting of both councils of the Assembly of Bosnia-Hercegovina.

Montenegro

Serbian Democratic Party Opens Branch in Titograd

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[Text] Titograd, 3 Jan (TANJUG)—The Serbian Democratic Party [SDS], which already exists in Bosnia-Hercegovina, will have a "branch" in Montenegro as well. On the eve of the New Year an initiative committee of this party was formed. In a public statement, the committee stresses that "the formation of another Serbian party will influence the creation and strengthening of the new Yugoslavia that has been created by the two Serbian states, Montenegro and Serbia".

Among other things, the SDS for Montenegro states that it does not recognize the division of Serbs into those in the homeland and those in diaspora. It considers Muslims and other nations and national minorities who live in Montenegro as fraternal nations, meant to live together "with the common aim of the creation and preservation of the third Yugoslavia".

Macedonia

Assembly Adopts Constitutional Amendments

AU0601151292 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 6 Jan 92

[Text] The Macedonian Assembly session was supposed to begin about one hour ago. The agenda includes the adoption and proclamation of amendments to the republic's Constitution. The amendments are supposed to satisfy the EC's demands, which are the necessary conditions for Macedonia's international recognition. Boris Djordjioski reports from Skopje:

[Begin Djordjioski recording] The Macedonian Assembly session lasted only about 20 minutes. This was enough to adopt the two proposed amendments by a majority vote. The first amendment states that Macedonia does not have any territorial claims toward its neighbors, while the second states that Macedonia will not interfere in the internal affairs of the neighboring sovereign countries.

The Assembly deputies held the view that, by adopting these changes, Macedonia is offering constitutional-legal guarantees to the EC and is fulfilling conditions for international recognition. As Assembly President Stojan Andov said, Europe will now certainly fulfill the centuries-old wish of the Macedonians to have a sovereign state that is recognized internationally.

The session had a ceremonial character. For this reason, and because of the [Orthodox] Christmas, the working part of the session was not held. Some deputies demanded a debate on the political and security situation in the republic, most probably because Albanian parties have announced that they will hold a referendum on 11 and 12 January and immediately afterward proclaim the political and territorial autonomy of Albanians in this republic.

The Macedonian Government last night (?banned) the referendum, but the leaders of the Albanian national parties, the Party for Democratic Prosperity and the National Democratic Party, will not give up, at any price, their intention to hold the referendum.

The VMRO [Internal Macedonian Revolutionary Organization] today demanded a debate on recent talks between the top Macedonian and Serbian officials in Ohrid. The Albanian national parties called for the resignation of the justice minister. [end recording]

Government Condemns Albanian Referendum Plans

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[Text] Skopje, 5 Jan (TANJUG)—A special session of the Macedonian Government, held in Skopje tonight, discussed the political and security situation in the republic in connection with the impending referendum by the Albanians in Macedonia for their political and territorial autonomy.

The statement from the session stresses that the Macedonian Government has not been informed officially that the Albanian Party for Democratic Prosperity and National Democratic Party are preparing a referendum on autonomy scheduled to be held on 11 and 12 January. However, the government considers this activity by the Albanian parties toward carrying out the referendum and a census to be illegal.

It has been pointed out especially that the Albanian referendum is being organized at the very time when international recognition of Macedonia is imminent. In the Macedonian Government's view, the referendum about some sort of Albanian autonomy in this republic is only a step in the direction of putting forward territorial claims on Macedonia.

The government calls on the Albanians in Macedonia to respect this republic's laws. It points out, in particular, that an overwhelming majority of the Albanian intelligentsia and deputies in the parliament are against these political adventures. In the Macedonian Government's view, neither is the autonomy referendum supported by the Muslim religious community in Macedonia.

Talks With Greece on EC Recognition Assessed

AU0401210592 Skopje Radio Macedonia Network in Macedonian 2100 GMT 3 Jan 92

[Text] Assessing the first Greek-Macedonian talks in Athens, the Macedonian delegation said that the talks were open [otvoren] and that the two sides presented their views in great detail. TANJUG has learned that the

Macedonian delegation stressed that Macedonia has fulfilled all the conditions for international recognition, while the Greek side [word indistinct] demanded firm guarantees that Macedonia will not express any territorial pretensions, saying that the EC condition (?indirectly) calling for the change of Macedonia's name has not been met.

Our delegation was headed by Ahil Tundev, adviser to the president of the republic, while the Greek delegation was headed by Ambassador Elianos, who is in charge of Balkan affairs and East Europe in the Greek Ministry of Foreign Affairs.

The Macedonian delegation pledged to further develop relations between Macedonia and Greece, bearing in mind the EC declaration adopted in Brussels, as well as the need to extend the dialogue on all outstanding issues, stressing that this is an expression of the need for strengthening mutual relations, which is in the interest of both sides as well as the region as a whole. For this reason, the Macedonian side expressed readiness to continue talks in Skopje at a higher level.

The Macedonian delegation stressed that it conducted talks in Athens from the point of view of Europe's stand on general relations and human and minority rights and briefed the Greek side in great detail on all processes and changes in Macedonia aimed at creating a democratic and civil republic.

The hosts were briefed about the current changes to the republican constitution made in accordance with conditions set up by the EC. In accordance with Macedonia's demand for independence, our delegation expressed readiness for constructive cooperation with all neighbors, including Greece. Our delegation stressed that Macedonia does not have territorial pretensions toward its neighbors and that it does not intend to interfere in their internal affairs.

Macedonia treats the issue of minorities in accordance with EC and world standards. It expressed the view that all countries, including Greece, will speed up work on the internal regulations that will satisfy these standards. As regards the name of Macedonia, our delegation expressed a categorical view that the demands to change the republic's name are absolutely unacceptable, regardless of where they come from. The Greek side insisted that Macedonia should renounce any territorial claims, not spread hostile propaganda, and not reject the demand to change the name of the republic. In this context, the Greek delegation mentioned historical and geographic arguments.